HOUSE OF REPRESENTATIVES—*Thursday, August 26, 1976*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is my shepherd; I shall not want.—Psalms 23: 1.

O Thou Shepherd of our souls who makes us lie down in green pastures and who leads us beside still waters, to Thee we bring our needy human spirits that we may be restored by the goodness of Thy grace and renewed by the gift of Thy love.

We look up to the hills of Thy presence and from Thee receive help for each day, strength for each task, forgiveness for each mistake, comfort for each sorrow, and love for each person.

In these disturbing days we thank Thee for the men and women of sound character, understanding sympathy, and genuine faith who are Members of this body and upon whom our Nation can depend as we seek to make our country a better country serving the needs of all our people.

Make us conscious of Thy presence as we face the tasks of this day; for Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 13679. An act to provide assistance to the Government of Guam, to guarantee certain obligations of the Guam Power Authority, and for other purposes; and

H. Con. Res. 225. Concurrent resolution to recognize the Washington-Rochambeau Historic Route.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3542. An act to authorize the Secretary of the Interior to make compensation for damages arising out of the failure of the Teton Dam a feature of the Teton Basin Federal reclamation project in Idaho, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14232) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes," and that the Senate agreed to House amendments to Senate amendments numbered 4, 8, 13, 36, and 48 to the foregoing bill.

The message also announced that the Senate further insists upon its amendment numbered 68 to the bill (H.R. 14232) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes," requests a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. STENNIS, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. EAGLETON, Mr. BAYH, Mr. CHILES, Mr. MCCLELLAN, Mr. BROOKE, Mr. CASE, Mr. FONG, Mr. STEVENS, Mr. SCHWEIKER, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10339) entitled "An act to encourage the direct marketing of agricultural commodities from farmers to consumers," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. HUDDLESTON, Mr. MCGOVERN, Mr. HUMPHREY, Mr. CLARK, Mr. DOLE, Mr. YOUNG, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that Mr. JACKSON and Mr. THURMOND be conferees, on the part of the Senate, on the bill (H.R. 14262) entitled "An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 400. An act to direct the Secretary of the Interior to conduct a 1-year feasibility/suitability study of the Frederick Law Olmsted Home and Office as a national historic site;

S. 3091. An act to amend the Forest and Rangeland Renewable Resources Planning Act of 1974, and for other purposes;

S. 3146. An act for the relief of Leo J. Conway;

S. 3394. An act to authorize the Secretary of the Interior to undertake the investigations, construction, and maintenance necessary to rehabilitate the Leadville Mine Drainage Tunnel, Colorado, and for other purposes;

S. 3419. An act to direct the Secretary of the Interior to conduct a 1-year feasibility/suitability study of a National Museum of Afro-American History and Culture at or near Wilberforce, Ohio;

S. 3669. An act to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States as a permanent loan by the Board of Trustees of the National Gallery of Art; and

S. 3734. An act to approve the sale of certain naval vessels, and for other purposes.

APPOINTMENT OF CONFEREES ON H.R. 14232, DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1977

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14232) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes, with the Senate amendment remaining in disagreement, further disagree to the Senate amendment numbered 68, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman tell us briefly what the basic areas of disagreement are?

Mr. FLOOD. Mr. Speaker, if the gentleman will yield, the only response I can give the gentleman is a hindsight guess as to what it is, and I would say it is the so-called Hyde amendment.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. FLOOD, NATCHER, SMITH of Iowa, PATTEN, OBEY, ROYBAL, STOKES, EARLY, MAHON, MICHEL, SHRIVER, CONTE, and CEDERBERG.

CONFERENCE REPORT AND STATEMENT ON S. 3052

Conference report and statement on the Senate bill S. 3052, on orientation of dependents of USDA employees having foreign assignments, submitted August 11, 1976, for printing under the rules, reads as follows:

CONFERENCE REPORT (H. REPT. No. 94-1424)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3052) to amend section 602 of the Agricultural Act of 1954, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That section 602 of the Agricultural Act of 1954, as amended, is amended by adding at the end thereof a new subsection as follows:

"(f) Effective October 1, 1976, the Secretary of Agriculture is authorized to provide appropriate orientation and language training to families of officers and employees of the Department of Agriculture in anticipation of an assignment abroad of such officers and employees or while abroad pursuant to

this Act or other authority: *Provided*, That the facilities of the Foreign Service Institute or other Government facilities shall be used wherever practicable, and the Secretary may utilize foreign currencies generated under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, to carry out the purposes of this subsection in the foreign nations to which such officers, employees, and families are assigned. There are hereby authorized to be appropriated such sums, not to exceed $50,000 annually, as may be necessary to carry out the purposes of this subsection: *Provided*, That for the fiscal year ending September 30, 1977, any appropriations available to the Secretary of Agriculture (not to exceed $50,000) may be used to carry out the purposes of this subsection. The Secretary of Agriculture shall submit to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry not later than ninety days after the end of each fiscal year a detailed report showing activities carried out under the authority of this subsection during such fiscal year.".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

In lieu of the amendment of the House, amend the title to read as follows: "An Act to authorize orientation and language training for families of certain officers and employees of the Department of Agriculture.".

And the House agree to the same.

E DE LA GARZA,
GEORGE E. BROWN, Jr.,
FREDERICK W. RICHMOND,
TOM HARKIN,
MATTHEW F. MCHUGH,
CHARLES THONE,
Managers on the Part of the House.

HERMAN E. TALMADGE,
HUBERT H. HUMPHREY,
GEORGE MCGOVERN,
BOB DOLE,
HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3052) to amend section 602 of the Agricultural Act of 1954, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. Except for technical, clerical, and conforming changes, the differences between the Senate bill and the House amendments and the substitute agreed to in conference are noted below:

The Senate bill authorizes the Secretary of Agriculture, effective upon enactment of the bill, to use any appropriated funds available to him for the orientation and language training of families of officers and employees of the United States Department of Agriculture who have foreign assignments. The Senate bill does not specify a monetary limit on the use of such funds.

The House amendments—

(1) limit the orientation and language training to spouses;

(2) provide a specific annual authorization, effective October 1, 1976, for appropriations not to exceed $35,000 annually, instead of making any Departmental appropriations available for the program upon enactment of the bill;

(3) authorize the use of foreign currencies generated under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) to carry out the program in the foreign nations to which the officers, employees, and spouses are assigned; and

(4) require the Secretary of Agriculture to submit annually to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry a detailed report showing the activities carried out under the bill.

The House receded on the first of the above-described amendments, and the Senate receded with a conforming amendment to its disagreement to the third and fourth of the above-described amendments. The Committee of Conference agreed, in lieu of the second House amendment, to provide a specific annual authorization for appropriations to carry out the provisions of the bill at a level not to exceed $50,000 anually, except that for the fiscal year beginning October 1, 1976, the Secretary may use any funds appropriated to the Department of Agriculture in an amount not to exceed $50,000 for the purposes of the bill. Any Public Law 480 foreign currencies used for the purposes of the bill would be subject to the $50,000 annual limitation. The authorization provided by the bill would become effective October 1, 1976, as provided in the House amendment.

E DE LA GARZA,
GEORGE E. BROWN, Jr.,
FREDERICK W. RICHMOND,
TOM HARKIN,
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Managers on the Part of the House.

HERMAN E. TALMADGE,
HUBERT H. HUMPHREY,
GEORGE MCGOVERN,
BOB DOLE,
HENRY BELLMON,
Managers on the Part of the Senate.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 661]

Abzug	Hayes, Ind.	Rees
Ambro	Hays, Ohio	Riegle
Andrews, N.C.	Hébert	Rose
Armstrong	Heckler, Mass.	Ruppe
Badillo	Heinz	Russo
Bonker	Hinshaw	Santini
Burgener	Howe	Sarasin
Burton, Phillip	Jarman	Sarbanes
Chisholm	Johnson, Pa.	Scheuer
Clausen, Don H.	Jones, Ala.	Shuster
Conlan	Jones, N.C.	Sisk
Conyers	Jones, Tenn.	Smith, Iowa
Crane	Lehman	Spellman
D'Amours	McCloskey	Stanton, James V.
de la Garza	McKinney	Steelman
Dellums	Martin	Steiger, Ariz.
Diggs	Matsunaga	Stuckey
Early	Melcher	Sullivan
Esch	Mills	Talcott
Eshleman	Moorhead, Calif	Teague
Evins, Tenn.	Mosher	Thompson
Ford, Mich.	Murphy, Ill	Traxler
Gilman	Neal	Udall
Goodling	O'Hara	Waxman
Green	Peyser	Wilson, Tex.
Harkin	Poage	Wylie
Harsha	Rangel	Young, Alaska

The SPEAKER. On this rollcall 350 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MAKING IN ORDER ON SEPTEMBER 8, 1976 OR ANY DAY THEREAFTER CONSIDERATION OF SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1977

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that it may be in order on September 8, 1976, or any day thereafter to consider the second concurrent resolution on the budget for fiscal year 1977. Pending my request I wish to advise the House that we expect to report the second budget resolution to the House not later than September 2. While we would hope to begin general debate on Wednesday, September 8, no votes on the resolution would be anticipated until Thursday, September 9. It is my expectation that the conference on the budget resolution could begin on September 10 and that we would be able to file our conference report on the 11th. This would enable us to meet the Budget Act timetable which requires adoption of the conference report by September 15.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. LATTA. Mr. Speaker, reserving the right to object, and I shall not object, I would say that we have discussed this schedule and we are in agreement with it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING VARIOUS FEDERAL RECLAMATION PROJECTS AND PROGRAMS

Mr. JOHNSON of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14578) to authorize various Federal reclamation projects and programs, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. JOHNSON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 14578, with Mr. WOLFF in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. JOHNSON) will be recognized for 30 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, members of the committee, it is my pleasure to present to the House at this time H.R. 14578, to authorize various Federal reclamation projects and programs.

This bill, when enacted, will be known as the Reclamation Authorization Act of 1976.

It is an omnibus bill consisting of seven titles, each of which authorizes a complete water resource undertaking.

The Interior and Insular Affairs Committee has consolidated in this single measure all of the authorizing legislation that has been considered in the second session of the 94th Congress.

The total cost of the several programs is $332,400,000.

As you can see, this is not a minor bill nor can it be considered unusually large as major public works programs are viewed.

At the present time the Federal Government is appropriating upward of $3 billion each year for water resource development construction.

When compared to this level of activity, H.R. 14578 represents less than 2 months of spending authority.

I make this point at the outset, Mr. Chairman, to officially lay to rest, once and for all, any suggestion that enactment of this bill would materially increase the backlog of authorized projects.

There is one other general aspect of this legislation that should be brought out and discussed.

Those Members who have studied the committee report filed by the Interior and Insular Affairs Committee will have noted that the administration did not endorse all of the programs contained in this bill.

Various reasons were given for the negative position.

Primarily, the committee was told that more time for study and review was required.

The facts of the matter are that several of the projects contained in this bill have been under study for upward of 15 to 20 years.

In the face of this record my colleagues on the Interior and Insular Affairs Committee evidently believed that sufficient study had been given to these programs and that they should now be approved on the basis of the data available to us.

Each of the seven titles was independently scheduled for public hearings and such hearings were indeed held by my Subcommittee on Water and Power Resources.

In addition to departmental witnesses, testimony was taken from interested Members and from several levels of State and local government.

This package of legislation may well be unique in my experience as there was not a single witness, exclusive of administration witnesses, who offered any testimony in opposition to any project.

The several individual bills were carefully considered by the subcommittee and desirable amendments were adopted before the legislation was introduced as a clean bill.

It was subsequently approved without a dissenting vote by the full committee.

Moreover, I am not aware of any opposition from any Member or any group of Members in the House and I have not been advised that any amendments will be offered.

Perhaps this lack of opposition may be accounted for by the fact that it is indeed a balanced bill which emphasizes many affirmative environmental and social pluses.

Title I of the bill will authorize the facilities for irrigating 20,000 acres of land in east-central Kansas, with water stored in an existing Corps of Engineers reservoir.

This development has been anticipated for more than 30 years and will also include substantial investments for increasing recreation and fish and wildlife values of the area.

It is the first time funds have been included for specifically preserving some areas for their environmental value.

Cost of the project at current price levels is $30,900,000.

Title II authorizes the installation of an enclosed pipe distribution system to replace an obsolete, wornout project irrigating 10,000 acres of apple orchards in the State of Washington.

Cost of the project is $39,370,000 and will have substantial fishery benefits, will reduce water use and return flows.

Title III legislation to authorize appropriations for a conditionally authorized program in the State of Utah, primarily for the benefit of the Uintah and Ouray Indian reservoirs.

This $90 million undertaking was endorsed by the administration and will be of great benefit to the Indian community.

Title IV involves a relocation and enlargement of the American Canal through the city of El Paso, Tex., at a cost of $21,714,000, for the principal purposes of salvaging water now being lost during conveyance and to eliminate safety hazards where more than 35 persons have been drowned in the last 23 years.

Title V will authorize, at a cost of $64,220,000, a multipurpose project in northeastern California for irrigation of 11,300 acres of inadequately irrigated land and the furnishing of a water supply for a major migratory waterfowl refuge.

Title VI is not, in the strict sense of the word, a water resource development project.

It will authorize emergency measures to stabilize and protect a mine drainage facility in the State of Colorado which, in its present condition, poses a substantial threat to life and property.

This program has an estimated cost of $2,750,000 which is a very minor sum when compared to the potential damage that could occur if protective measures were not taken.

Title VII authorizes a multipurpose project in southeastern Oklahoma for the primary purpose of municipal and industrial water supply for the project area and for the metropolitan area of Oklahoma City.

The legislation also contemplates the acquisition of approximately 20,000 acres of privately owned land adjacent to the reservoir for management of wildlife and for preservation of its unique wilderness characteristics.

In summary, Mr. Chairman, every project in this bill will make a contribution of some dimension to improvement of the environment, the elevation of the economic situation of our Indian citizens or the protection of our citizens from threats to their life and property.

These intangible benefits, when added to the evident economic values of the programs, certainly justify their approval and I therefore strongly urge that the House adopt this measure.

Mr. LUJAN. Mr. Chairman, I yield such time as he may consume to the distinguished minority ranking member of the Committee on Interior and Insular Affairs, the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, I rise in support of H.R. 14578, The Reclamation Authorization Act of 1976.

This bill is the authorization bill for reclamation projects which our committee has studied and worked upon since January of last year. Each of the seven projects has been subjected to thorough hearings by our Subcommittee on Water and Power Resources. Each of them was approved by unanimous vote in the subcommittee. Combined in a clean bill, they were then brought before the full committee where the clean bill, H.R. 14578, was ordered to be reported favorably, also by unanimous vote.

The projects are located in the States of Kansas, Washington, Utah, Texas, California, Colorado and Oklahoma. They are unanimously supported by the entire congressional delegations from those States.

During the hearings, there were no adverse witnesses to any of the projects. All minor disagreements that arose as to the content and draftsmanship of each title have been resolved through the amendment process in subcommittee.

Thus, the bill before us today is a bill to which we all can give our support and confidence. The projects are worthwhile projects that have been pending for some time. Their costs are reasonable and will be repaid to the Government in the ratio of about 75 cents on the dollar.

These much-needed multiple-use projects will provide benefits for large areas in the seven States, including water for irrigation, municipal and industrial water supply, flood control, recreational opportunities, fish and wildlife habitat enhancement, and drainage.

I am, of course, most familiar with the Kanopolis unit, which is located in Kansas.

Title I of the bill authorizes the construction, operation and maintenance of the Kanopolis unit.

This is a project whose completion is long overdue.

It has been in the works for almost 30 years.

It is time to get on with it.

Nothing is more precious to Kansas than water.

Our land is fertile and productive.

Agriculture is our most important industry, and the State is a primary supplier of the Nation's foods.

Moreover, a healthy agricultural economy has a direct beneficial effect on many other sectors of the economy: equipment and fertilizer manufacturers and suppliers, transportation, retailers, financial institutions, etc.

Unfortunately, we are too often at the mercy of the erratic rainfall.

Average rainfall varies drastically, and its seasonal distribution is unpredictable.

All too often, crop yield has been severly curtailed because there was just not enough water.

The obvious solution is to irrigate, and this is being done.

However, groundwater sources are limited and the rivers and streams, like the rainfall, are undependable.

Thus, completion of the project would provide a stable and reliable water supply for the area.

Crop production would be stabilized and yields improved.

The economy of the area, State and Nation, would benefit accordingly.

Of equal importance, is the assurance of an adequate water supply to cities in the area.

At the present time—these cities must depend upon ground supplies, or the rivers, for their domestic water supplies.

Availability of impounded water in the Kanopolis unit would eliminate these uncertainties and allow the communities to plan their futures and growth in a sensible and comprehensive way.

Mr. Chairman, the farmers and the cities of this area in Kansas need and want the water from the Kanopolis unit.

They have indicated their willingness to enter into contracts for its purchase.

The project has wide support, including that of both Congressmen, the Governor, the State water resources board, and local officials.

I urge the committee to give the bill its favorable and prompt consideration.

Mr. LUJAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to join my distinguished colleague, the gentleman from California, in support of this bill and to associate myself completely with his remarks.

By way of explanation to my colleagues on this side of the aisle, I want to comment on the negative reports submitted by the administration on six of the seven projects included in this bill. To those Members who are not on the Interior Committee and who have not had the opportunity to hear the testimony through months of hearings on these projects, it could easily appear that we are trying to force the administration into projects that are not really necessary. The administration objections might appear to them to be reasonable grounds on which to vote against this bill.

Nothing could be further from the truth, for a number of reasons, which I shall enumerate.

First, let me point out that the objections heard from the administration have centered on the issue of time, not money. On each of these bills, the Department report has recognized the need for the project and has spelled out the many worthwhile benefits to be derived from each project, but then the report has gone on to say that more time is needed to study the project.

I want to assure my colleagues that many of these projects have been studied for 15 to 20 years. Many of them are simply individual units of larger irrigation projects that were authorized many years ago but which are just now getting around to being constructed. They have been studied, reported upon, studied some more and reported upon again, and they are ready to go.

Two of the projects are of an emergency nature involving the saving of human life. Title IV, the extension of the American Canal in El Paso, Tex., has two major goals: First, to remove a dangerous condition that has resulted in the death of more than 20 children, and second, to salvage 11,600 acre-feet of water that is now being wasted in a very arid area. The safety hazard is very real and the need for conserving water is very real. The situation has been known about and studied for 30 years, but no action has been taken. In committee, we heard from more than a score of witnesses who testified as to the danger and the need for the additional water. We did not hear from one single adverse witness. Further delay would undoubtedly result in further loss of life. And further delay would drive the costs of the project even higher. Congress should have acted on this situation 20 years ago. We certainly should not postpone it any further and invite more children to drown in this dangerous canal.

Title VI is another emergency measure to prevent the loss of life and untold property damage. It calls for repairs to a drainage tunnel in Colorado that was built by the Federal Government during World War II and then abandoned. Over the years it has become a menace, as portions of the tunnel have caved in and caused a large head of water to build up behind the blockages. There are communities near the tunnel entrance that would be severely damaged, with possible loss of life, if those blockages should give way and that wall of water were to rip down the valley. We would have another situation similar to the Teton Dam failure. And, even if that were not to occur for a few more years, we have right now a very dangerous situation because a heavily used State highway crosses directly over this tunnel. Cave-ins within the tunnel have already caused portions of the highway to sink several feet into the ground. If cars had been passing at the time, we would have had more deaths on our hands. We must act to correct this situation now. Further delay will cost more in both dollars and possible loss of life.

I can assure my colleagues that each of these projects is worthwhile and well worth the money that this bill authorizes. And I can assure you also that further delays will drive the costs upward.

But let us talk about the money for a moment. What will these projects cost the taxpayers? How much will be returned to the Treasury? What is the net cost to the Government?

In round numbers, the total amount authorized will be $332 million. Of this, the Federal Government will get back about 77 percent in cash repayments from irrigators, municipal water users, industrial water users and Federal power revenues. I suggest to my colleagues that a 77-percent return on a Federal program is not only unique—it is virtually unheard of except in reclamation projects.

I want to compliment the distinguished chairman of our Water and Power Subcommittee, Mr. JOHNSON of California, for his leadership and evenhandedness in the development of this bill. Every possible aspect of each project has been explored in detail. Each component title has been amended, tightened up, carefully spelled out and patiently tied down so that the work that needs done will be done at the least cost to the Government but with maximum results.

There was not a single dissenting vote in our subcommittee on any of these seven projects. There was not a single dissenting vote in full committee as we ordered it reported. I urge my colleagues to join us in passing this bill today with the unanimous vote that it deserves. Thank you.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I am happy to yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Chairman, I ask the gentleman, is there not one project in this bill that has a rather low payback or cost-benefit ratio, and that it seems as though perhaps there are other alternatives to that which has been proposed by the committee?

Mr. LUJAN. Mr. Chairman, I do not know which project the gentleman is referring to. The most expensive ones, from the standpoint of the payback feature, are the one at El Paso and the one in Colorado that I just talked about, but that is because these are for purposes other than the development of water. There is the safety aspect, too, to be considered.

Mr. MYERS of Pennsylvania. I believe it is the one at El Paso that we should address ourselves to. That already is an existing canal, and I believe the committee asks approval because there have been some drownings associated with it; is that correct?

Mr. LUJAN. The gentleman is correct.

Mr. MYERS of Pennsylvania. Is it not true that perhaps the new project, although it is located in a different area, could pose the same hazard, and that the more economic solution would be to fence it off along its present water path?

Mr. LUJAN. Mr. Chairman, I do not know what other project the gentleman is referring to.

Mr. MYERS of Pennsylvania. No, I am referring to the El Paso project. What I am saying is that there is a pathway of water through the town right now, and that there is not a problem from any standpoint other than safety; is that correct?

Mr. LUJAN. No, it is not just a safety problem, because there will be a savings of 11,600 feet of water. The main point

about this is that this canal runs through the middle of El Paso, through a very populous area, and what we are trying to do in this case is to change the course of the water to a less populous area and cover it up in certain areas so there will not be any drownings. That is the reason for it.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I wish to point out to the gentleman from Pennsylvania (Mr. MYERS) that indeed this is a project that will save lives. There is a fence at the present site, and all we intend to do is to make it safer and more resistant to the activities of children who tunnel under and try to find their way into the water because they find it attractive for the purpose of swimming.

Beyond that, too, I might point out that one of the problems is that the water now in the present Franklin Canal empties back into the river at a point where the Mexican people on the Mexican side have been taking away water for the purpose of irrigation. Also we have lost a considerable amount of water through percolation and in other ways. That can be preserved in the canal. It is life preserving and preservative of water and we should consider the preservation of the allotments that we have set up for the farm areas that we have in the El Paso valley.

So, Mr. Chairman, this is a local project that indeed will prove beneficial for all the people of this country.

Mr. MYERS of Pennsylvania. Mr. Chairman, if the gentleman will yield further, I would like to say that although I agree that we should make every effort to save lives, it would certainly seem the committee report fails to present a convincing case. Perhaps a number of people who have become victims of this particular body of water enter it voluntarily and most projects, even this replacement project, cannot prevent these accidents totally. It seems to me there are a number of watersheds and reservoirs that pose the same hazard.

It would appear that if there are not other associated problems, from the standpoint of the cost-benefit ratio, or water delivery, the effective way to deal with it is to fence it off where the hazard is most extreme. To proceed in that way would save a considerable amount of money.

Mr. WHITE. Mr. Chairman, if the gentleman from New Mexico will yield further, I hope later that I will have an opportunity to address myself more particularly to these projects.

This is not a new project. I have sought this project for 12 years during the past 6 Congresses, and it is a vitally needed project in an area that will, as I say, provide some multiple benefit to this country and certainly a great benefit to the people of that valley.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Texas.

Mr. KAZEN. As I understand the situation, this project is presently fenced. What is proposed to be done is to change the location of this stream as it now courses through the inhabited parts of El Paso. It is, as a matter of fact, a health hazard, and what price do we place on health?

Mr. MYERS of Pennsylvania. Mr. Chairman, if the gentleman will yield further, I would like to ask the gentleman from Texas (Mr. KAZEN) a question in response to his statement: Is it not true that there is a considerable advantage in having a canal through the city of San Antonio which perhaps creates an even more immediate hazard? I, for one, have walked along there. There is no protection there, no guard rail or anything for a considerable length. It seems to me that San Antonio has turned that around into an advantage.

Mr. KAZEN. Mr. Chairman, if the gentleman will yield further, it is an entirely different situation where we have the stream coming through the business district and only attracting tourists than to have it come through the residential districts and all the way through town, where the little children are running around in the neighborhood. It is actually an open situation that does become a health hazard.

Mr. LUJAN. Mr. Chairman, we have some other speakers. If I may, I would reserve the balance of my time.

This project will be dealt with more extensively by the gentleman from Texas.

Mr. JOHNSON of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. HALEY), the chairman of the full Committee on Interior and Insular Affairs.

Mr. HALEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the bill, H.R. 14578. I think it is a good bill. I think it is a bill that is deserving of consideration of the House here, and I want to compliment the gentleman from California (Mr. JOHNSON), who is the chairman of the Subcommittee on Water and Power Resources. He has done his usual homework and has presented, I think, a fine bill and one that deserves the support of all of the Members of Congress.

Mr. JOHNSON of California. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma (Mr. ALBERT). It gives me great pleasure to recognize the Speaker of the House of Representatives.

Mr. ALBERT. Mr. Chairman, this bill embodies very important projects in various parts of the country; and one of the projects in this bill is very important to a considerable part of Oklahoma, at least three congressional districts.

Mr. Chairman, McGee Creek Reservoir is situated in the southeastern part of Oklahoma in my district, where most of the best water in the State is located. It will supply water, not only to the McGee Creek area, but to the growing metropolitan area of Oklahoma City, some 90 miles away, where it is sorely needed.

Mr. Chairman, the immediate need for this high-quality water and the immediate market for the water assures the success of this project. I do not know of a more dollar-sound project anywhere which is better than this one. Because of the high demand, it is assured that the Bureau of Reclamation will be repaid.

Mr. Chairman, one of the attractive features of the project is that a substantial part of the money invested by the Bureau will be repaid with interest by users of the water. A special trust has already been established by prospective users of the reservoir to begin repayment of the money.

Another salient feature of the McGee Creek project is that, for the first time in the history of the Bureau, conjunctive planning has accompanied the reservoir development to preserve the natural environment. In other words, Mr. Chairman, the environment is going to be preserved when this project is finished.

An additional 20,000 acres of land are being acquired at project expense on behalf of preserving these environmental values.

Along with the reservoir, a wildlife refuge will be established. Further, one of the wildest sections in the State of Oklahoma—Bugaboo Canyon—will become a national wilderness area and will remain forever in its natural state. Thus, major investment is being made to assure that little environmental damage, if any, is done.

Finally, Mr. Chairman, I would like to point out the tremendous support this project has received not only from the water users of Oklahoma City, but from the citizens of Atoka County, Oklahoma, where the project will be constructed. Since this project began 10 years ago, we have not had one single word of opposition from one single constituent; which is unusual in the development of water projects, as all of the Members, I am sure, know. In the hearings held by the distinguished Subcommittee on Water and Power Resources, not a single resident of Atoka County was heard in opposition. In all my years I have never seen a project with such overwhelming support both within and without my congressional district.

Mr. Chairman, I would like to commend the chairman of the subcommittee, the gentleman from California (Mr. JOHNSON), and the distinguished members of his subcommittee for the fine job they have done on this bill. I am in total support of the bill. I urge every one of my colleagues to support this measure.

Mr. LUJAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. SEBELIUS), a member of the committee.

Mr. SEBELIUS. Mr. Chairman, I wish to thank the gentleman from New Mexico (Mr. LUJAN) for yielding me this time and to compliment the chairman of the subcommittee, the gentleman from California (Mr. JOHNSON), as well as the ranking member, the gentleman from New Mexico (Mr. LUJAN), for the fine job they have done, as well as the capable staff that has worked with them.

Mr. Chairman, I rise in support of H.R. 14578, the Reclamation Authorization Act of 1976, containing appropriation authority for the Kanopolis Unit

in Kansas. A project, I might point out, that has been in the works since 1949.

The Kanopolis Dam and Reservoir was completed in 1948. Initial authorization for construction of the Kanopolis Unit in 1949 was met by an unfortunate series of delays in which legal formation of the irrigation district was not completed until 1966. Progress was then again slowed by the enactment of Public Law 88–442 under which all units of the Pick-Sloan Missouri Basin program not then under construction were required to be authorized by the Congress. Since that time, extensive environmental and feasibility investigations have been conducted and it has been generally agreed that a real need exists to complete this project as soon as possible.

This need is represented in the dependence central Kansas citizens have on water for their livelihood. Agriculture and its allied industries form the economic backbone of this three-county area. The chief industry is understandably the processing of agricultural products. Retail trade in the area is dependent upon the economic stability of those engaged in farming and related industries. The Kanopolis unit plan promises to enhance agricultural stability and the overall economic stability of the area by reducing crop production fluctuations that occur as a result of widely varying annual rainfall. The drought conditions the area experienced in the early spring and are once again threatened with as the fall crops reach maturity is ample proof of the value and necessity of authorizing this project.

Another aspect of considerable importance is the plan's impact on the Salina municipal water supply. Salina, a city of 38,000 and the largest city in my district, presently obtains 70 percent of their municipal water supply from the Smokey Hill River on which the Kanopolis Reservoir is constructed. The Kanopolis Unit is crucial in assuring the city of Salina a safe and guaranteed supply of water to meet their growing municipal and industrial water needs.

Mr. Chairman, I am not unaware of the administration's opposition to authorization of this project, as well as, the other six projects included in the bill. As my colleagues know, I would be one of the first to vote against any bill which meant the excessive expenditure of our tax dollars. However, the administration in none of their reports have attacked these bills on their cost but only on the grounds that they need more study. These projects have been studied and restudied. And, at least in the case of the Kanopolis unit, 10 years of extensive feasibility and environmental study has been made to the point where little could be accomplished by studying it any further.

As regards the need to hold down spending, this is uppermost in my mind as it is in most of yours. But, how many other projects that we have authorized in the last several years can we expect the return that we can expect on this and the other projects in the bill. For example, in the total cost of 30.9 million for the Kanopolis unit, 27.8 million of those dollars will be repayed by the irrigators, municipal and industrial users and power revenues.

Mr. Chairman, the need for completion of the Kanopolis unit is acute. Surely after 27 years, we can ill-afford to delay any longer in going forth with a project that has been proposed and needed as far back as 1949. I urge my colleagues to support this bill containing not only a project of vital interest to my district but six other very important projects in various parts of the country.

Mr. JOHNSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Chairman, I rise in support of this bill, and I want to congratulate the committee for bringing up what I think is a very worthwhile and necessary piece of legislation. As an accommodation to the Speaker, I was the author of a bill to authorize the McGee Creek project which has been a part of this omnibus bill. In addition to what the Speaker has said in support of it, I would like to add and stress the two points that I think are of great interest. This project, among other things, not only brings into reality one of the most valuable sources of new water for our section of the country, but it also renders itself, because of its natural situation, to a very fine wildlife and recreation capability. The time for the preservation of this opportunity is running out, and so the sooner we can nail it down and get this made a reality, the better.

The other point is that timewise we are faced with a growing need for water in central Oklahoma, and by the time this faciilty could be brought into being, we are going to be in urgent need of the resources of this water. We are told by our experts that by the year 1980 we will be facing a water crisis in our part of the country if we do not get this additional facility.

So for all these reasons, and because it is an investment rather than an expenditure, I urge my colleagues in the House to support this authorization bill.

Mr. JARMAN. Mr. Chairman, will the gentleman yield?

Mr. STEED. I am happy to yield to my colleague, the gentleman from Oklahoma.

Mr. JARMAN. Mr. Chairman, I join my colleagues in support of the McGee Creek Dam and Reservoir of Oklahoma. It is a practicable surface-water development that would satisfy the short-term needs of Oklahoma City and the long-term needs of Atoka County, Okla. As already indicated by our distinguished Speaker and by my colleague, the gentleman from Oklahoma (Mr. STEED), it would also satisfy the need to preserve and manage the wilderness-type area surrounding McGee Creek Reservoir site.

The primary purpose of the project would be to provide dependable municipal and industrial water supplies to Oklahoma City, the city of Atoka, and to the Southern Oklahoma Development Association. Other purposes of the project include recreation, flood control, and fish and wildlife enhancement. The central part of Oklahoma, containing the Oklahoma City standard metropolitan area is the most heavily populated part of the State. It is relatively dry compared to the eastern part of the State. The towns and cities clustered in the Oklahoma City metropolitan area are slowly outstripping their current water supplies and are being forced to look outside their immediate area for a dependable source of good quality water.

Mr. Chairman, the population of the Oklahoma City metropolitan area is projected to double within the next 50 years. Water requirements will show a similar increase. The citizens of Oklahoma fully support this project as being vitally important to the future water supply of our State. I urge its approval by the Members of the House.

Mr. LUJAN. Mr. Chairman, I yield as much time as he may consume to the gentleman from Kansas (Mr. SHRIVER).

Mr. SHRIVER. Mr. Chairman, I rise in support of H.R. 14578 which includes seven projects. I was cosponsor, along with my colleague from Kansas (Mr. SEBELIUS) of H.R. 7044 which authorizes construction and operation of the Kanopolis Irrigation Unit. This project now is a part of the omnibus authorizing legislation before us.

The Kanopolis unit would be located along the Smoky Hill River in central Kansas in Ellsworth, McPherson, and Saline Counties. It is a multipurpose project that would furnish water for municipal and industrial use for the city of Saline and the State of Kansas; water for the irrigation of valley land, and meet the recommended fishery flows in the Smoky Hill River.

This legislation authorizes $30.9 million for the Kanopolis unit with a benefit-to-cost ratio estimated to be 3.54. Irrigators would repay $19,850,000 during a period of 50 years following the end of a development period provided by law. This sum represents more than 75 percent of the allocated costs.

Environmental preservation and enhancement are an integral part of the recommended plan.

We all recognize the heavy demands upon our Federal treasury, and the fight against inflation must remain high in our priority list. It is reassuring, therefore, to note the findings by the Committee that the potential impact of this legislation on the national economy will produce little or no inflationary pressures.

Mr. Chairman, the Kanopolis project has enjoyed growing public support, but has endured numerous bureaucratic roadblocks and delays. It almost has been studied to death.

Today the House has an opportunity to breathe life into the Kanopolis Irrigation project which can mean so much to the economy of Kansas and to the agricultural health of our Nation.

Those of us from States where agriculture is predominant in our economy, fully recognize the importance of getting the most out of the land. The Kansas farmer has demonstrated time and again his genius for producing food not only for American families but for people around the world. But water and weather often are deterrents to good crops.

If we are to sustain the farmer's abil-

ity to produce for future generations, irrigation projects such as Kanopolis must be built to enable him to develop greater production on the acreage available.

In closing, Mr. Chairman, I wish to express appreciation to the chairman of the Subcommittee on Water and Power Resources, the distinguished gentleman from California (Mr. JOHNSON) who took the leadership in bringing this bill to the floor today. He fully understands the importance of developing our water resources.

Mr. JOHNSON of California. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma (Mr. RISENHOOVER), a coauthor of this legislation.

Mr. RISENHOOVER. Mr. Chairman, I rise in support of H.R. 14578. This is in my opinion one of the most fiscally sound bills I have seen in the short time I have been in the Congress. I think the McGee Creek project in Oklahoma is typical of the projects we have in the bill. It means immediate jobs for workers in our economy who are now unemployed, it means preservation of our wildlife, our wilderness areas and our recreation areas for future generations, and it means increased agricultural and industrial production which will result in the long run in lower prices to the people who are in our consuming areas.

I extend my appreciation to the chairman of the committee for bringing this bill forth and for the extensive hearings he held to show the country and especially the Members of the House what the bill means to all of America.

I am very proud to support the legislation.

Mr. LUJAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Chairman, I thank the gentleman for yielding.

I have been very impressed by the statements made here today in behalf of the projects in the areas represented by the Members who have spoken. I am sure they are very conscientious and very sincere in their recommendations for favorable action on this legislation. I have high regard for the gentleman from California (Mr. JOHNSON) and the gentleman from New Mexico (Mr. LUJAN) who are handling this legislation.

In looking at the committee report it seems to me it is a mistake for us to lump seven projects together in this way. Some of the projects seem to have been sufficiently studied for us to be taking final action here today. Others seem not to be supported by a feasibility report and seem not to have been studied completely and are opposed by either the Corps of Engineers or the Department of the Interior. I question the wisdom of legislating in this sort of omnibus fashion. I think is poses extremely difficult problems on other Members who are not as thoroughly familiar with the specific projects as those Members are who have spoken in support of this legislation. I question the wisdom of our taking favorable action on all seven of these projects in this way at this time.

Mr. JOHNSON of California. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, for the past six Congresses, I have submitted a bill similar to title IV of the legislation we are considering today. The purpose of this bill is to allow extension of the American Canal in El Paso which is an integral part of the Rio Grande Federal irrigation project.

In each instance in the past, my bill has called for a totally nonreimbursable construction project because I felt, as did the water users of the irrigation project, that completion of the canal was a much needed natural consequence of an international treaty with Mexico, and was therefore the responsibility of the Federal Government. Because of this nonreimbursable feature, the bill has consistently failed to be reported out of committee. That is why I should like to stress to Members that the American Canal project, as represented in title IV of this water project omnibus bill, has a cost reimbursable feature. This is spelled out in section 2 which dictates that the canal extension shall not be undertaken until the Secretary of the Interior has entered into a repayment contract with the users to pay the Federal Government a sum equal to the value of the water salvaged by the project for a 50-year period. Mr. Speaker, I should like briefly to background this subject in order to establish a complete justification for the American Canal project. In 1907, the United States and Mexico entered into a treaty dividing the waters of the Rio Grande at that point where the river becomes the international boundary between the two countries. At this point, the Rio Grande flows through a pass in the mountains with the city of El Paso located on the U.S. side and Cuidad Juarez located on the Mexican side. The treaty limited Mexico to diverting 60,000 acre-feet of water a year from the river in the El Paso/Juarez Valley.

Mr. Chairman, if I might interject at this point, in an arid area when we have short rainfall, this becomes somewhat trying to the farmers, but we have always lived with that situation.

Mr. Chairman, in order to assure compliance, a diversion dam, called the American Dam, was constructed above the city of El Paso with the idea that all of the river's waters, except Mexico's 60,000 acre feet, would be diverted through a canal and irrigation system solely for the use of reclamation and irrigation participants on the U.S. side. At the time the American Dam was constructed—in the mid-1930's—the accompanying canal was extended only for several miles to join with an existing canal, called the Franklin Canal, which flows virtually through the heart of the city of El Paso. The Franklin Canal empties back into the Rio Grande bed far short of the Riverside heading which is the final diversion point in the irrigation project. In recent years, evidence has steadily accumulated that Mexico, in violation of the treaty of 1906, is rather openly pumping and otherwise diverting water from this stretch of the Rio Grande bed between the terminus of the Franklin Canal and the Riverside heading. Additionally, estimates on seepage loss range upward from 10,000 acre feet per year. Extension of the American Canal would eliminate both of these problems. There is another compelling consideration involved in the conclusive need for this project. As I indicated, the present Franklin Canal flows through a heavily populated section of El Paso. This pronounced urban environment results in an unavoidable extensive pollution of the canal which in turn produces a distinct health hazard. Additionally, hardly a year goes by that at least one drowning occurs in the Franklin Canal even though it is fenced. Construction of the American Canal would eliminate this hazard to health and life.

Filling in the Franklin Canal is part of this project. City planning calls for the development of a median park along the present route of the Franklin Canal once it is filled in, and I would like to stress that this park would accommodate thousands of citizens from one of the more disadvantaged areas of the city. In summation, Mr. Chairman, the extension of the American Canal in El Paso rightfully should have been accomplished many years ago as a natural compliance feature of an international treaty; it will eliminate a public health and safety hazard and replace it with open park and recreation areas in a disadvantaged section of the city; and the desired partial reimbursable feature is included in the legislation as proposed today. One final observation relates to the ever-increasing problem of illegal entry by Mexican nationals into the United States in the El Paso/Juarez vicinity. The extension of the American Canal would provide a natural, fenced, barrier to illegal entry paralleling the Rio Grande international boundary for a distance of some 15 miles between the two cities. This would be a welcome assist to hard-pressed Immigration and Naturalization officers. Mr. Chairman, and fellow Members, I urge your favorable consideration of this legislation. Thank you.

Mr. LUJAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MYERS).

Mr. MYERS of Pennsylvania. Mr. Chairman, I also would like to support the concern of the gentleman from Illinois (Mr. MCCLORY) in that this bill includes a number of projects. Essentially we are precluded from evaluating each one of them individually.

I think too often in authorizing committees we have projects authorized simply as a hunting license and then we find out in an appropriation bill such as this one that the hunting license delivers some very undesirable funding folded into and with legitimate proposals.

There is a project for El Paso, Tex., included in this bill, about which I do have serious concern because of that payback ratio. All of us in our districts have projects for flood control which are being rejected at the Federal level because of the payback ratio, and we have to be concerned about voting for those in another district which lack the

same favorable ratio. It seems to me that we are trying to escape urban sprawl, in this project, and perhaps the location of that new canal may face the same challenge in the near future.

There are very few streams that do not claim lives each year of people who venture into them on a voluntary basis and do not realize the danger. Certainly, since it is a fenced area it would indicate that persons have gone beyond the normal involuntary act of falling into this particular body of water.

I have a stream in my district which claims probably more lives each year than this particular canal does. It seems to me that this alone is not enough to counter the poor pay-back feature.

We do have limited resources for our Federal dollars, and I think we have to be wise in how we commit them.

Mr. DON H. CLAUSEN. Mr. Chairman, this is the only major bill that will come before us during this session that provides any new initiatives bearing on the use and conservation of our national water resources. As such, its passage is both desirable and necessary.

The current drought in many sections of the country demonstrates vividly that our fresh water supplies constitute one of our most critical natural resources.

H.R. 14578 contains five projects that will assist the States of California, Washington, Utah, Oklahoma, and Kansas to make more efficient use of their water and to irrigate thousands of acres of new land for food production.

The authorizations contained in this bill amount to about $332 million. That is not an exorbitant amount when considered in the light of the national water and food problems that those dollars will help to solve. It is a real bargain when we take into account that 75 cents of every dollar spent will come back to the Treasury in the form of repayments from the water users.

This is a good bill and the price is right. I urge my colleagues to give it their full support.

Mr. LUJAN. Mr. Chairman, I have no further requests for time.

Mr. JOHNSON of California. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the Reclamation Authorizations Act of 1977.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 4, strike out "1977." and insert in lieu thereof "1976."

Mr. JOHNSON of California. Mr. Chairman, that is just a change of date there, from 1977 to 1976.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I

KANOPOLIS UNIT, KANSAS

SEC. 101. The Kanopolis unit, heretofore authorized as an integral part of the Pick-Sloan Missouri Basin program by the Act of December 22, 1944 (58 Stat. 887, 891), is hereby reauthorized as part of that project. The construction, operation, and maintenance of the Kanopolis unit for the purposes of providing irrigation water for approximately twenty thousand acres of land, municipal and industrial water supply, fish and wildlife conservation and development, environmental preservation, and other purposes shall be prosecuted by the Secretary of the Interior in collaboration with the Secretary of the Army acting through the Chief of Engineers, in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal features of the Kanopolis unit shall include the modification of the existing Kanopolis Dam and Lake, an irrigation diversion structure, the Kanopolis north and south canals, laterals, drains, and necessary facilities to effect the aforesaid purposes of the unit.

SEC. 102. Upon expiration of existing leases for agricultural use of publicly owned lands, in the Kanopolis Reservoir area, the Secretary of the Army is authorized to enter into a management agreement covering said lands with the Kansas Forestry, Fish and Game Commission. The Secretary of the Army is further authorized to include provisions in such operating agreements whereby revenues deriving from future use of said reservoir lands for agricultural purposes may be retained by the game commission to the extent that they are utilized for wildlife management purposes at Kanopolis Reservoir.

SEC. 103. The Kanopolis unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented. Repayment contracts for the return of construction costs allocated to irrigation will be based on the irrigator's ability to repay as determined by the Secretary of the Interior, and the terms of such contracts shall not exceed fifty years following the permissible development period. Repayment contracts for the return of costs allocated to municipal and industrial water supply shall be under the jurisdiction of the Secretary of the Army, and such contracts shall be prerequisite to the initiation of construction of facilities authorized by this title. Costs allocated to environmental preservation and fish and wildlife shall be nonreimbursable and nonreturnable under Federal reclamation law.

SEC. 104. For a period of ten years from the date of enactment of this title, no water from the unit authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949 (63 Stat. 1051; 7 U.S.C. 1421), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (62 Stat. 1251), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 105. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the Kanopolis unit shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the unit is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 106. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Kanopolis unit, Pick-Sloan Missouri Basin program, are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of, unit works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

SEC. 107. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter, for construction of the Kanopolis unit, the sum of $30,900,000 (January 1976 price levels) plus or minus such amounts, if any, as may be justified by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved. Of the funds authorized to be appropriated by this section, the Secretary of the Interior shall transfer to the Secretary of the Army all except those required for postauthorization planning, design, and construction of the single use irrigation facilities of the unit, and the Secretary of the Army shall utilize such transferred funds for implementation of all other aspects of the authorized unit. There are also authorized to be appropriated such sums as may be required for operation and maintenance of the works of said unit.

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there amendments to title I?

If not, the Clerk will read title II.

The Clerk read as follows:

TITLE II

OROVILLE-TONASKET UNIT, WASHINGTON

SEC. 201. For purposes of supplying water to approximately ten thousand acres of land and for enhancement of the fish resource of the Similkameen, Okanogan, and Columbia Rivers and the Pacific Ocean, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal works of the Oroville-Tonasket unit extension (hereinafter referred to as the project) shall consist of pumping plants, distribution systems; necessary works incidental to the rehabilitation or enlargement of portions of the existing irrigation system to be incorporated in the project; drainage works; and measures necessary to provide fish passage and propagation in the Similkameen River. Irrigation works constructed and rehabilitated by the United States under the Act of October 9, 1962 (76 Stat. 761) and which are not required as a part of the project shall be dismantled and removed with funds appropriated hereunder and title to the lands and

right-of-way thereto which were conveyed to the United States shall be reconveyed to the Oroville-Tonasket Irrigation District. All other irrigation works which are a part of the Oroville-Tonasket Irrigation District's existing system and which are not required as a part of the project or that do not have potential as rearing areas for fish shall be dismantled and removed with funds appropriated hereunder.

SEC. 202. The Secretary is authorized to terminate the contract of December 26, 1964, between the United States and the Oroville-Tonasket Irrigation District and to execute new contracts for the payment of project costs, including the then unpaid obligation under the December 26, 1964, contract. Such contracts shall be entered into pursuant to section 9 of the Act of August 4, 1939 (53 Stat. 1187). The term of such contract shall be fifty years, exclusive of any development period authorized by law. The contracts for irrigation water may provide for the assessment of an account charge for each identifiable ownership receiving water from the project. Such charge, together with the acreage or acre-foot charge, shall not exceed the repayment capacity of commercial family-size farm enterprises as determined on the basis of studies by the Secretary. Project construction costs covered by contracts entered into pursuant to section 9(d) of the Act of August 4, 1939, as determined by the Secretary, and which are beyond the ability of the irrigators to repay shall be charged to and returned to the reclamation fund in accordance with the provisions of section 2 of the Act of June 14, 1966 (80 Stat. 200), as amended by section 6 of the Act of September 7, 1966 (80 Stat. 707). The aforesaid contract shall provide that irrigation costs properly assignable to privately owned recreational lands shall be repaid in full within fifty years with interest.

SEC. 203. Power and energy required for irrigation water pumping for the project, including existing irrigation works retained as a part of the project, shall be made available by the Secretary from the Federal Columbia River power system at charges determined by him.

SEC. 204. The provision of lands, facilities, and any project modifications which furnish fish and wildlife benefits in connection with the project shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended. All costs allocated to the anadromous fish species shall be nonreimbursable.

SEC. 205. For a period of ten years from the date of enactment of this title, no water from the project authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949 (63 Stat. 1051; 7 U.S.C. 1421), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301 (b)(10) of the Agricultural Adjustment Act of 1938 (62 Stat. 1251; 7 U.S.C. 1301), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 206. The interest rate used for purposes of computing interest during construction and, where appropriate, interest on the unpaid balance of the reimbursable obligations assumed by non-Federal entities shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption from fifteen years from the date of issue.

SEC. 207. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Oroville-Tonasket unit, are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of unit works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes as determined by the Secretary of the Interior.

SEC. 208. There is hereby authorized to be appropriated for construction of the works and measures authorized by this title for the fiscal year 1978 and thereafter the sum of $39,370,000 (January 1976 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project.

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any amendments to title II?

If not, the Clerk will read title III.

The Clerk read as follows:

TITLE III

UINTAH UNIT, UTAH

SEC. 301. Pursuant to the authorization for construction, operation, and maintenance of the Uintah unit, central Utah project, Utah, as provided in section 1 of the Act of April 11, 1956 (70 Stat. 105), as amended by section 501(a) of the Colorado River Basin Project Act (82 Stat. 897), there is authorized to be appropriated for fiscal year 1978 and thereafter, for the construction of said Uintah unit, the sum of $90,247,000 (based on January 1976 price levels) plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indexes applicable to the type of construction involved.

SEC. 302. Notwithstanding any other provision of law, lands held in a single ownership which may be eligible to receive water from, through, or by means of the Uintah works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classese, as determined by the Secretary of the Interior.

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any amendments to title III?

If not, the Clerk will read title IV.

The Clerk read as follows:

TITLE IV

AMERICAN CANAL EXTENSION, EL PASO, TEXAS

SEC. 401. The Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof and supplementary thereto), in order to salvage water losses, eliminate hazards to public safety, and to facilitate compliance with the convention between the United States and Mexico concluded May 21, 1906, providing for the equitable division of the waters of the Rio Grande, is authorized as a part of the Rio Grande project, New Mexico-Texas, to construct, operate, and maintain, wholly within the United States, extensions of the American Canal approximately thirteen miles in total length, commencing in the vicinity of International Dam, El Paso, Texas, and extending to Riverside Heading; together with laterals, pumping plants, wasteways, and appurtenant facilities as required to assure continuing irrigation service to the project. Existing facilities no longer required for project service shall be removed or obliterated as a part of the program herein authorized.

SEC. 402. Construction of the American Canal extension shall not be undertaken until the Secretary of the Interior has entered into a repayment contract with the El Paso County Water Improvement District Number 1, in which said irrigation district contracts to repay to the United States, for fifty years, an annual sum representing the value of eleven thousand six hundred acre-feet of salvaged water at a price per acre-food established by the Secretary on the basis of an up-to-date payment capacity determination. Costs of the American Canal in excess of those repaid by the El Paso County Water Improvement District Number 1 shall be nonreimbursable and nonreturnable in recognition of benefits accruing to public safety and international considerations.

SEC. 403. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter for construction of the American Canal extension the sum of $21,714,000 (January 1976 price levels), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project.

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any amendments to title IV?

If not, the Clerk will read title V.

The Clerk read as follows:

TITLE V

ALLEN CAMP UNIT, CALIFORNIA

SEC. 501. For the purposes of providing irrigation water supplies, controlling floods, conserving and developing fish and wildlife resources, enhancing outdoor recreation opportunities, and for other related purposes, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the Allen Camp unit, Pit River division, as an addition to, and an integral part of, the Central Valley project, California. The principal works of the unit shall consist of Allen Camp Dam and Reservoir and necessary water diversion, conveyance, distribution, and drainage facilities, and other appurtenant works for the delivery of water to the unit, a wildlife refuge, channel rectification works and levees, and recreation facilities.

SEC. 502. Subject to the provisions of this title, the operation of the Allen Camp unit shall be integrated and coordinated, from

both a financial and an operational standpoint, with the operation of other features of the Central Valley project in such manner as will effectuate the fullest, most beneficial, and most economic utilization of the water resources hereby made available.

SEC. 503. Notwithstanding any other provision of law, lands held in a single ownership which may be eligible to receive water from, through, or by means of the Allen Camp unit works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

SEC. 504. The costs of the Allen Camp unit allocated to flood control, conservation and development of fish and wildlife resources, and the enhancement of recreation opportunities shall be nonreimbursable.

SEC. 505. The Secretary is hereby authorized to replace those roads and bridges now under the jurisdiction of the Secretary of Agriculture which will be inundated or otherwise rendered unusable by construction and operation of the unit. Said replacements are to be the standards (including provisions for the future) which would be used by the Secretary of Agriculture in constructing similar roads to provide similar services.

SEC. 506. For a period of ten years from the date of enactment of this title, no water from the unit authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949 (63 Stat. 1051; 7 U.S.C. 1421), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301 (b)(10) of the Agriculture Adjustment Act of 1938 (62 Stat. 1251), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 507. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter the sum of $64,220,000 (January 1976 price levels) for the construction of the Allen Camp unit, plus or minus such amounts as are justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the construction of works related to the Allen Camp unit. There are also authorized to be appropriated such sums as may be required to operate and maintain said unit and associated facilities.

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any amendments to title V?

If not, the Clerk will read title VI.

The Clerk read as follows:

TITLE VI

LEADVILLE MINE DRAINAGE TUNNEL, COLORADO

SEC. 601. The Secretary of the Interior is authorized to rehabilitate the federally owned Leadville Mine drainage tunnel, Lake County, Colorado, by installing a concrete-lined, structural steel-supported, eight-foot-diameter, horseshoe-shaped tunnel section extending for an approximate distance of one thousand feet inward, from the portal of said tunnel or for the distance required to enter structurally competent geologic formations. The Secretary is further authorized to maintain the rehabilitated tunnel in a safe condition and to monitor the quality of the tunnel discharge.

SEC. 602. There is authorized to be appropriated for fiscal year 1978 and thereafter $2,750,000 (January 1976 price levels) for the rehabilitation of the tunnel. There is also authorized to be appropriated such sums as are necessary for maintenance of the rehabilitated tunnel, water quality monitoring and investigations leading to recommendations for treatment measures if necessary to bring the quality of the tunnel discharge into compliance with applicable water quality statutes. All funds authorized to be appropriated by this title, together with such sums as have been expended for emergency work on the Leadville Mine drainage tunnel by the Bureau of Recalmation, shall be non-reimbursable.

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any amendments to title VI? If not, the Clerk will read title VII.

The Clerk read as follows:

TITLE VII

M'GEE CREEK PROJECT, OKLAHOMA

SEC. 701. The Secretary of the Interior is authorized to construct, operate, and maintain the McGee Creek project, Oklahoma, in accordance with the Federal Reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and the provisions of this title for the purposes of storing, regulating, and conveying water for municipal and industrial use, conserving and developing fish and wildlife resources, providing outdoor recreation opportunities, developing a scenic recreation area, developing a wildlife management area and controlling floods. The principal physical works of the project shall consist of a dam and reservoir on McGee Creek, appurtenant conveyance facilities and public outdoor recreation facilities.

SEC. 702. To provide for the protection, preservation, use, and enjoyment by the general public of the scenic and esthetic values of the canyon area adjacent to the upper portion of the McGee Creek Reservoir, the Secretary of the Interior is hereby authorized to purchase privately owned lands, not to exceed twenty thousand acres, for the aforesaid scenic recreation and wildlife management areas. The Secretary of the Interior is also authorized to construct such facilities as he determines to be appropriate for utilization of the scenic and wildlife management areas for the safety, health, protection, and compatible use by the visiting public.

SEC. 703. The Secretary of the Interior shall make such rules and regulations as are necessary to carry out the provisions and intent of section 702 of this title and may enter into an agreement or agreements with a non-Federal public body or bodies for operation and maintenance of the scenic recreational and wildlife management areas.

SEC. 704. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the project shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the project is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 705. (a) The Secretary of the Interior is authorized to enter into a contract with a qualified entity or entities, for delivery of water and for repayment of all the reimbursable construction costs. All costs of acquiring, developing, operating, and maintaining the scenic recreation and wildlife management areas authorized by section 702 of this title shall be nonreimbursable.

(b) Construction of the project shall not be commenced until the contracts and agreements required by this title have been entered into.

(c) Upon execution of the contract referred to in section 705(a) of this title, and upon completion of construction of the project, the Secretary of the Interior shall transfer to a qualified contracting entity or entities the care, operation, and maintenance of the project works; and, after such transfer is made, will reimburse the contractor annually for that portion of the year's operation and maintenance costs, which, if the United States had continued to operate the project, would have been nonreimbursable. Prior to assuming care, operation, and maintenance of the project works the contracting entity or entities shall agree to operate them in accordance with regulations prescribed by the Secretary of the Army with respect to flood control, and by the Secretary of the Interior with respect to fish, wildlife, and recreation.

(d) Upon execution of the contract referred to in section 705(a) of this title, and upon completion of construction of the project, the contracting entity or entities, their designee or designees, shall have a permanent right to use the reservoir and related facilities of the McGee Creek project in accordance with said contract.

SEC. 706. The conservation and development of the fish and wildlife resources, and the enhancement of recreation opportunities in connection with the McGee Creek project, except the scenic recreation and wildlife management areas authorized by section 702 of this title, shall be in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 707. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter, for construction of the McGee Creek project the sum of $83,239,000 (January 1976 price levels), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuattions in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for the operation and maintenance of the project.

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any amendments to title VII?

AMENDMENT OFFERED BY MR. JOHNSON OF CALIFORNIA

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: Page 18, line 12, after "'reimburse" insert a comma and add "subject to such amounts as may be provided in the appropriation acts,".

Mr. JOHNSON of California. Mr. Chairman, this technical amendment, recommended by the Budget Commitee, merely clarifies the intent that the amounts involved for contract reimbursement are to be subject to the appropriation process. It does not change the meaning of the bill as reported by the committee and in fact reinforces the last sentence in the bill which contains the general appropriation authorization.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. JOHNSON).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOLFF, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 14578) to authorize various Federal reclamation projects and programs, and for other purposes, pursuant to House Resolution 1489, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ALEXANDER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 346, nays 35, not voting 50, as follows:

[Roll No. 662]

YEAS—346

Abdnor	Beard, R.I.	Brooks
Adams	Beard, Tenn.	Broomfield
Addabbo	Bedell	Brown, Calif.
Alexander	Bell	Brown, Ohio
Allen	Bennett	Broyhill
Ambro	Bergland	Buchanan
Anderson, Calif.	Bevill	Burke, Calif.
	Biaggi	Burke, Fla.
Anderson, Ill.	Biester	Burke, Mass.
Andrews, N. Dak.	Bingham	Burleson, Tex.
	Blanchard	Burlison, Mo.
Annunzio	Blouin	Burton, John
Archer	Boggs	Butler
Armstrong	Boland	Byron
Ashley	Bolling	Carney
Aspin	Bonker	Carr
AuCoin	Bowen	Carter
Bafalis	Brademas	Cederberg
Baldus	Breaux	Chappell
Baucus	Breckinridge	Clancy
Bauman	Brinkley	Clawson, Del
Clay	Horton	Pressler
Cochran	Howard	Preyer
Cohen	Hubbard	Price
Collins, Ill.	Hughes	Pritchard
Collins, Tex.	Hungate	Quie
Conte	Hyde	Quillen
Conyers	Ichord	Railsback
Corman	Jarman	Randall
Cornell	Jenrette	Rangel
Cotter	Johnson, Calif.	Rees
Coughlin	Johnson, Colo.	Reuss
Crane	Jones, Ala.	Rhodes
D'Amours	Jones, Okla.	Richmond
Daniel, Dan	Jordan	Rinaldo
Daniel, R. W.	Karth	Risenhoover
Daniels, N.J.	Kazen	Roberts
Danielson	Kemp	Robinson
Davis	Ketchum	Rodino
Delaney	Keys	Roe
Dellums	Koch	Rogers
Dent	Krebs	Roncalio
Derrick	Krueger	Rooney
Derwinski	LaFalce	Rostenkowski
Devine	Lagomarsino	Roush
Dickinson	Latta	Rousselot
Diggs	Leggett	Roybal
Dingell	Lent	Runnels
Dodd	Levitas	Ruppe
Downey, N.Y.	Lloyd, Calif.	Ryan
Downing, Va.	Lloyd, Tenn.	St Germain
Drinan	Long, La.	Santini
Duncan, Oreg.	Long, Md.	Sarbanes
Duncan, Tenn.	Lott	Satterfield
du Pont	Lujan	Scheuer
Eckhardt	Lundine	Schroeder
Edgar	McCollister	Sebelius
Edwards, Ala.	McCormack	Seiberling
Edwards, Calif.	McDade	Sharp
Eilberg	McEwen	Shipley
Emery	McFall	Shriver
English	McHugh	Shuster
Erlenborn	McKay	Sikes
Eshleman	Madden	Skubitz
Evans, Colo.	Mahon	Slack
Fary	Mann	Smith, Nebr.
Fascell	Mathis	Snyder
Fenwick	Mazzoli	Solarz
Findley	Meeds	Spellman
Fish	Melcher	Spence
Fisher	Metcalfe	Staggers
Fithian	Meyner	Stanton, J. William
Flood	Mezvinsky	
Florio	Michel	Stark
Flowers	Mikva	Steed
Flynt	Milford	Stephens
Foley	Miller, Calif.	Stokes
Ford, Mich.	Mills	Stratton
Ford, Tenn.	Mineta	Stuckey
Forsythe	Minish	Studds
Fraser	Mink	Sullivan
Frey	Mitchell, Md.	Symington
Fuqua	Mitchell, N.Y.	Symms
Gaydos	Moakley	Taylor, Mo.
Giaimo	Moffett	Taylor, N.C.
Gibbons	Molloban	Thompson
Gilman	Montgomery	Thone
Ginn	Moore	Thornton
Goldwater	Moorhead, Pa.	Treen
Gonzalez	Morgan	Tsongas
Grassley	Moss	Udall
Gude	Murphy, Ill.	Ullman
Guyer	Murphy, N.Y.	Van Deerlin
Hagedorn	Murtha	Vander Jagt
Haley	Myers, Ind.	Vander Veen
Hall, Ill.	Natcher	Vanik
Hall, Tex.	Nedzi	Waggonner
Hamilton	Nichols	Walsh
Hammer-schmidt	Nix	Wampler
	Nolan	Weaver
Hanley	Nowak	Whalen
Hannaford	Oberstar	White
Hansen	Obey	Whitehurst
Harkin	O'Brien	Whitten
Harris	O'Hara	Wiggins
Harsha	O'Neill	Wilson, Bob
Hawkins	Ottinger	Wilson, C. H.
Hayes, Ind.	Passman	Winn
Hefner	Patten, N.J.	Wirth
Helstoski	Patterson, Calif.	Wolff
Henderson		Wright
Hicks	Pattison, N.Y.	Yates
Hightower	Pepper	Yatron
Hillis	Perkins	Young, Fla.
Holland	Pettis	Young, Tex.
Holt	Pickle	Zablocki
Holtzman	Pike	Zeferetti

NAYS—35

Andrews, N.C.	Evans, Ind.	Hechler, W. Va.
Ashbrook	Fountain	Hutchinson
Brodhead	Frenzel	Jacobs
Brown, Mich.	Goodling	Jeffords
Cleveland	Gradison	Kasten
Conable	Harrington	Kastenmeier
Kelly	Miller, Ohio	Schulze
Kindness	Mottl	Simon
McClory	Myers, Pa.	Steiger, Wis.
McDonald	Paul	Vigorito
Madigan	Regula	Wydler
Maguire	Schneebeli	

NOT VOTING—50

Abzug	Howe	Rosenthal
Badillo	Johnson, Pa.	Russo
Burgener	Jones, N.C.	Sarasin
Burton, Phillip	Jones, Tenn.	Sisk
Chisholm	Landrum	Smith, Iowa
Clausen, Don H.	Lehman	Stanton, James V.
	McCloskey	
Conlan	McKinney	Steelman
de la Garza	Martin	Steiger, Ariz.
Early	Matsunaga	Talcott
Esch	Moorhead, Calif.	Teague
Evins, Tenn.		Traxler
Green	Mosher	Waxman
Hays, Ohio	Neal	Wilson, Tex.
Hébert	Peyser	Wylie
Heckler, Mass.	Poage	Young, Alaska
Heinz	Riegle	Young, Ga.
Hinshaw	Rose	

The Clerk announced the following pairs:

Mr. Teague with Mr. Johnson of Pennsylvania.

Mr. Jones of Tennessee with Mr. Burgener.

Mr. Early with Mr. Don H. Clausen.

Mr. Hébert with Mr. Landrum.

Mr. Russo with Mr. Martin.

Mr. Rosenthal with Mr. Talcott.

Mr. Waxman with Mr. Steiger of Arizona.

Mr. Young of Georgia with Mr. Young of Alaska.

Mrs. Chisholm with Mr. Wylie.

Mr. Phillip Burton with Mr. Sarasin.

Ms. Abzug with Mr. McCloskey.

Mr. Badillo with Mr. Moorhead of California.

Mr. Lehman with Mr. Esch.

Mr. Sisk with Mr. McKinney.

Mr. Smith of Iowa with Mr. Hays of Ohio.

Mr. Rose with Mrs. Heckler of Massachusetts.

Mr. de la Garza with Mr. Mosher.

Mr. Green with Mr. Heinz.

Mr. Jones of North Carolina with Mr. Riegle.

Mr. Matsunaga with Mr. James V. Stanton.

Mr. Neal with Mr. Steelman.

Mr. Charles Wilson of Texas with Mr. Traxler.

Mr. Howe with Mr. Conlan.

Mr. Evins of Tennessee with Mr. Peyser.

Messrs. FRENZEL, ANDREWS of North Carolina, and MADIGAN changed their vote from "yea" to "nay."

Mr. RUPPE changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. JOHNSON of California. Mr. Speaker, pursuant to the provisions of House Resolution 1489, I call up from the Speaker's table the Senate bill (S. 3283) to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. JOHNSON

Mr. JOHNSON of California. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. JOHNSON of California moves to strike out all after the enacting clause of the Senate bill S. 3283 and to insert in lieu

thereof the provisions of H.R. 14578, as passed, as follows:

That this Act shall be known as the Reclamation Authorizations Act of 1976.

TITLE I

KANOPOLIS UNIT, KANSAS

SEC. 101. The Kanopolis unit, heretofore authorized as an integral part of the Pick-Sloan Missouri Basin program by the Act of December 22, 1944 (58 Stat. 887, 891), is hereby reauthorized as part of that project. The construction, operation, and maintenance of the Kanopolis unit for the purposes of providing irrigation water for approximately twenty thousand acres of land, municipal and industrial water supply, fish and wildlife conservation and development, environmental preservation, and other purposes shall be prosecuted by the Secretary of the Interior in collaboration with the Secretary of the Army acting through the Chief of Engineers, in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal features of the Kanopolis unit shall include the modification of the existing Kanopolis Dam and Lake, an irrigation diversion structure, the Kanopolis north and south canals, laterals, drains, and necessary facilities to effect the aforesaid purposes of the unit.

SEC. 102. Upon expiration of existing leases for agricultural use of publicly owned lands, in the Kanopolis Reservoir area, the Secretary of the Army is authorized to enter into a management agreement covering said lands with the Kansas Forestry, Fish and Game Commission. The Secretary of the Army is further authorized to include provisions in such operating agreements whereby revenues deriving from future use of said reservoir lands for agricultural purposes may be retained by the game commission to the extent that they are utilized for wildlife management purposes at Kanopolis Reservoir.

SEC. 103. The Kanopolis unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented. Repayment contracts for the return of construction costs allocated to irrigation will be based on the irrigator's ability to repay as determined by the Secretary of the Interior, and the terms of such contracts shall not exceed fifty years following the permissible development period. Repayment contracts for the return of costs allocated to municipal and industrial water supply shall be under the jurisdiction of the Secretary of the Army, and such contracts shall be prerequisite to the initiation of constructioin of facilities authorized by this title. Costs allocated to environmental preservation and fish and wildlife shall be nonreimbursable and nonreturnable under Federal reclamation law.

SEC. 104. For a period of ten years from the date of enactment of this title, no water from the unit authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949 (63 Stat. 1051; 7 U.S.C. 1421), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (62 Stat. 1251), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 105. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the Kanopolis unit shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the unit is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 106. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Kanopolis unit. Pick-Sloan Missouri Basin program, are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of, unit works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

SEC. 107. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter, for construction of the Kanopolis unit, the sum of $30,900,000 (January 1976 price levels) plus or minus such amounts, if any, as may be justified by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved. Of the funds authorized to be appropriated by this section, the Secretary of the Interior shall transfer to the Secretary of the Army all except those required for postauthorization planning, design, and construction of the single use irrigation facilities of the unit, and the Secretary of the Army shall utilize such transferred funds for implementation of all other aspects of the authorized unit. There are also authorized to be appropriated such sums as may be required for operation and maintenance of the works of said unit.

TITLE II

ORVILLE-TONASKET UNIT, WASHINGTON

SEC. 201. For purposes of supplying water to approximately ten thousand acres of land and for enhancement of the fish resource of the Similkameen, Okanogan, and Columbia Rivers and the Pacific Ocean, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal works of the Oroville-Tonasket unit extension (hereinafter referred to as the project) shall consist of pumping plants, distribution systems; necessary works incidental to the rehabilitation or enlargement of portions of the existing irrigation system to be incorporated in the project; drainage works; and measures necessary to provide fish passage and propagation in the Similkameen River. Irrigation works constructed and rehabilitated by the United States under the Act of October 9, 1962 (76 Stat. 761) and which are not required as a part of the project shall be dismantled and removed with funds appropriated hereunder and title to the lands and right-of-way thereto which were conveyed to the United States shall be reconveyed to the Oroville-Tonasket Irrigation District. All other irrigation works which are a part of the Oroville-Tonasket Irrigation District's existing system and which are not required as a part of the project or that do not have potential as rearing areas for fish shall be dismantled and removed with funds appropriated hereunder.

SEC. 202. The Secretary is authorized to terminate the contract of December 26, 1964, between the United States and the Oroville-Tonasket Irrigation District and to execute new contracts for the payment of project costs, including the then unpaid obligation under the December 26, 1964, contract. Such contracts shall be entered into pursuant to section 9 of the Act of August 4, 1939 (53 Stat. 1187). The term of such contract shall be fifty years, exclusive of any development period authorized by law. The contracts for irrigation water may provide for the assessment of an account charge for each identifiable ownership receiving water from the project. Such charge, together with the acreage or acre-foot charge, shall not exceed the repayment capacity of commercial family-size farm enterprises as determined on the basis of studies by the Secretary. Project construction costs covered by contracts entered into pursuant to section 9(d) of the Act of August 4, 1939, as determined by the Secretary, and which are beyond the ability of the irrigators to repay shall be charged to and returned to the reclamation fund in accordance with the provisions of section 2 of the Act of June 14, 1966 (80 Stat. 200), as amended by section 6 of the Act of September 7, 1966 (80 Stat. 707). The aforesaid contract shall provide that irrigation costs properly assignable to privately owned recreational lands shall be repaid in full within fifty years with interest.

SEC. 203. Power and energy required for irrigation water pumping for the project, including existing irrigation works retained as a part of the project, shall be made available by the Secretary from the Federal Columbia River power system at charges determined by him.

SEC. 204. The provision of lands, facilities, and any project modifications which furnish fish and wildlife benefits in connection with the project shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended. All costs allocated to the anadromous fish species shall be nonreimbursable.

SEC. 205. For a period of ten years from the date of enactment of this title, no water from the project authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949 (63 Stat. 1051; 7 U.S.C. 1421), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (62 Stat. 1251; 7 U.S.C. 1301), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 206. The interest rate used for purposes of computing interest during construction and, where appropriate, interest on the unpaid balance of the reimbursable obligations assumed by non-Federal entities shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption from fifteen years from the date of issue.

SEC. 207. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Oroville-Tonasket unit, are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of unit works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes as determined by the Secretary of the Interior.

SEC. 208. There is hereby authorized to be appropriated for construction of the works

and measures authorized by this title for the fiscal year 1978 and thereafter the sum of $39,370,000 (January 1976 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project.

TITLE III

UINTAH UNIT, UTAH

SEC. 301. Pursuant to the authorization for construction, operation, and maintenance of the Uintah unit, central Utah project, Utah, as provided in section 1 of the Act of April 11, 1956 (70 Stat. 105), as amended by section 501(a) of the Colorado River Basin Project Act (82 Stat. 897), there is authorized to be appropriated for fiscal year 1978 and thereafter, for the construction of said Uintah unit, the sum of $90,247,000 (based on January 1976 price levels) plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indexes applicable to the type of construction involved.

SEC. 302. Notwithstanding any other provision of law, lands held in a single ownership which may be eligible to receive water from, through, or by means of the Uintah works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

TITLE IV

AMERICAN CANAL EXTENSION, EL PASO, TEXAS

SEC. 401. The Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof and supplementary thereto), in order to salvage water losses, eliminate hazards to public safety, and to facilitate compliance with the convention between the United States and Mexico concluded May 21, 1906, providing for the equitable division of the waters of the Rio Grande, is authorized as a part of the Rio Grande project, New Mexico-Texas, to construct, operate, and maintain, wholly within the United States, extensions of the American Canal approximately thirteen miles in total length, commencing in the vicinity of International Dam, El Paso, Texas, and extending to Riverside Heading; together with laterals, pumping plants, wasteways, and appurtenant facilities as required to assure continuing irrigation service to the project. Existing facilities no longer required for project service shall be removed or obliterated as a part of the program herein authorized.

SEC. 402. Construction of the American Canal extension shall not be undertaken until the Secretary of the Interior has entered into a repayment contract with the El Paso County Water Improvement District Number 1, in which said irrigation district contracts to repay to the United States, for fifty years, an annual sum representing the value of eleven thousand six hundred acre-feet of salvaged water at a price per acre-foot established by the Secretary on the basis of an up-to-date payment capacity determination. Costs of the American Canal in excess of those repaid by the El Paso County Water Improvement District Number 1 shall be nonreimbursable and nonreturnable in recognition of benefits accruing to public safety and international considerations.

SEC. 403. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter for construction of the American Canal extension the sum of $21,714,000 (January 1976 price levels), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project.

TITLE V

ALLEN CAMP UNIT, CALIFORNIA

SEC. 501. For the purposes of providing irrigation water supplies, controlling floods, conserving and developing fish and wildlife resources, enhancing outdoor recreation opportunities, and for other related purposes, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the Allen Camp unit, Pit River division, as an addition to, and an integral part of, the Central Valley project, California. The principal works of the unit shall consist of Allen Camp Dam and Reservoir and necessary water diversion, conveyance, distribution, and drainage facilities, and other appurtenant works for the delivery of water to the unit, a wildlife refuge, channel rectification works and levees, and recreation facilities.

SEC. 502. Subject to the provisions of this title, the operation of the Allen Camp unit shall be integrated and coordinated, from both a financial and an operational standpoint, with the operation of other features of the Central Valley project in such manner as will effectuate the fullest, most beneficial, and most economic utilization of the water resources hereby made available.

SEC. 503. Notwithstanding any other provision of law, lands held in a single ownership which may be eligible to receive water from, through, or by means of the Allen Camp unit works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

SEC. 504. The costs of the Allen Camp unit allocated to flood control, conservation and development of fish and wildlife resources, and the enhancement of recreation opportunities shall be nonreimbursable.

SEC. 505. The Secretary is hereby authorized to replace those roads and bridges now under the jurisdiction of the Secretary of Agriculture which will be inundated or otherwise rendered unusable by construction and operation of the unit. Said replacements are to be the standards (including provisions for the future) which would be used by the Secretary of Agriculture in constructing similar roads to provide similar services.

SEC. 506. For a period of ten years from the date of enactment of this title, no water from the unit authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949 (63 Stat. 1051; 7 U.S.C. 1421), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301 (b) (10) of the Agricultural Adjustment Act of 1938 (62 Stat. 1251), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 507. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter the sum of $64,220,000 (January 1976 price levels) for the construction of the Allen Camp unit, plus or minus such amounts as are justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the construction of works related to the Allen Camp unit. There are also authorized to be appropriated such sums as may be required to operate and maintain said unit and associated facilities.

TITLE VI

LEADVILLE MINE DRAINAGE TUNNEL, COLORADO

SEC. 601. The Secretary of the Interior is authorized to rehabilitate the federally owned Leadville Mine drainage tunnel, Lake County, Colorado, by installing a concrete-lined, structural steel-supported, eight-foot-diameter, horseshoe-shaped tunnel section extending for an approximate distance of one thousand feet inward, from the portal of said tunnel or for the distance required to enter structurally competent geologic formations. The Secretary is further authorized to maintain the rehabilitated tunnel in a safe condition and to monitor the quality of the tunnel discharge.

SEC. 602. There is authorized to be appropriated for fiscal year 1978 and thereafter $2,750,000 (January 1976 price levels) for the rehabilitation of the tunnel. There is also authorized to be appropriated such sums as are necessary for maintenance of the rehabilitated tunnel, water quality monitoring and investigations leading to recommendations for treatment measures if necessary to bring the quality of the tunnel discharge into compliance with applicable water quality statutes. All funds authorized to be appropriated by this title, together with such sums as have been expended for emergency work on the Leadville Mine drainage tunnel by the Bureau of Reclamation, shall be nonreimbursable.

TITLE VII

M'GEE CREEK PROJECT, OKLAHOMA

SEC. 701. The Secretary of the Interior is authorized to construct, operate, and maintain the McGee Creek project, Oklahoma, in accordance with the Federal Reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and the provisions of this title for the purposes of storing, regulating, and conveying water for municipal and industrial use, conserving and developing fish and wildlife resources, providing outdoor recreation opportunities, developing a scenic recreation area, developing a wildlife management area and controlling floods. The principal physical works of the project shall consist of a dam and reservoir on McGee Creek, appurtenant conveyance facilities and public outdoor recreation facilities.

SEC. 702. To provide for the protection, preservation, use, and enjoyment by the general public of the scenic and esthetic values of the canyon area adjacent to the upper portion of the McGee Creek Reservoir, the Secretary of the Interior is hereby authorized to purchase privately owned lands, not to exceed twenty thousand acres, for the aforesaid scenic recreation and wildlife management areas. The Secretary of the Interior is also authorized to construct such facilities as he determines to be appropriate for utilization of the scenic and wildlife management areas for the safety, health, protection, and compatible use by the visiting public.

SEC. 703. The Secretary of the Interior shall make such rules and regulations as are necessary to carry out the provisions and intent of section 702 of this title and may enter into an agreement or agreements with a non-Federal public body or bodies for operation and maintenance of the scenic recreational and wildlife management areas.

SEC. 704. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the project shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the project is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 705. (a) The Secretary of the Interior

is authorized to enter into a contract with a qualified entity or entities, for delivery of water and for repayment of all the reimbursable construction costs. All costs of acquiring developing, operating, and maintaining the scenic recreation and wildlife management areas authorized by section 702 of this title shall be nonreimbursable.

(b) Construction of the project shall not be commenced until the contracts and agreements required by this title have been entered into.

(c) Upon execution of the contract referred to in section 705(a) of this title, and upon completion of construction of the project, the Secretary of the Interior shall transfer to a qualified contracting entity or entities the care, operation, and maintenance of the project works; and, after such transfer is made, will reimburse, subject to such amounts as may be provided in the appropriation acts, the contractor annually for that portion of the year's operation and maintenance costs, which, if the United States had continued to operate the project, would have been nonreimbursable. Prior to assuming care, operation, and maintenance of the project works the contracting entity or entities shall agree to operate them in accordance with regulations prescribed by the Secretary of the Army with respect to flood control, and by the Secretary of the Interior with respect to fish, wildlife, and recreation.

(d) Upon execution of the contract referred to in section 705(a) of this title, and upon completion of construction of the project, the contracting entity or entities, their designee or designees, shall have a permanent right to use the reservoir and related facilities of the McGee Creek project in accordance with said contract.

SEC. 706. The conservation and development of the fish and wildlife resources, and the enhancement of recreation opportunities in connection with the McGee Creek project, except the scenic recreation and wildlife management areas authorized by section 702 of this title, shall be in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 707. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter, for construction of the McGee Creek project the sum of $83,239,000 (January 1976 price levels), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for the operation and maintenance of the project.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To authorize various Federal reclamation projects and programs, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 14578) was laid on the table.

GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 8603, POSTAL REORGANIZATION ACT AMENDMENTS OF 1975

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. ALEXANDER. Reserving the right to object, Mr. Speaker, it is my intention to offer a motion to instruct the conferees before their appointment to adhere to the House position as adopted by the House on the postal reform bill last October on two specific amendments that were adopted; namely, my amendment which requires the Postal Service to come to Congress for an annual authorization and an annual appropriation and; two, the Buchanan amendment which requires Presidential appointment and Senate confirmation of the Postmaster General and his Chief Deputy.

On Tuesday, the Senate passed a postal bill that passes the postal buck to the next Congress.

This is not a do-nothing Congress, but it may be a pass-the-buck Congress.

The Senate bill fails to include the House-passed amendments:

First. To require annual authorization and appropriation for the Postal Service;

Second. Fails to require Presidential appointment and Senate confirmation of the Postmaster General and Chief Deputy;

No matter who you are: "Butcher, baker, candlestick maker, rich man, poor man, beggar man, thief," everyone needs an efficient mail service and unless the Congress exercises its responsibility the Postal Service will collapse because the American taxpayer will not continue to tolerate the wastes, favoritism, inefficiency and excesses of the Washington postal establishment that has characterized its 6 years of operation.

The Washington postal establishment has doubled its own bureaucracy while cutting back the work force and service.

The mismanagement of the Postal Service has produced a loss of revenues, an increase in postal rates, and a reduction in service.

Despite the fact that investigations conducted by the Postal Facilities, Mail and Labor Management Subcommittee and other congressional committees have consistently revealed glaring evidence of misjudgments by top-level postal management, and despite ever-rising public dissatisfaction with deteriorating service, the so-called McGee compromise version of H.R. 8603 currently being debated by the Senate has removed all accountability requirements.

POSTAL SERVICE FAVORITISM

First. Forty-four percent of dollar value of USPS procurement contracts in fiscal year 1974 were noncompetitive, resulting in cost overruns of $30.6 million.

Second. Over $6 million in cost overruns are on four contracts awarded to a former Postmaster General; $830,000 in cost overruns are on contracts awarded to a crony of a former Postmaster General; and

Third. The amount of $23,000 was paid by a large postal customer to a member of the sitting Board of Governors for consultative services.

POSTAL SERVICE WASTE

First. USPS has spent as much as $732 per day for consultative services; another consultant is receiving $600 per day; two others receive $500 per day;

Second. USPS spent almost $1 million to produce a coloring book to teach children to address and stamp an envelope; and

Third. USPS, as part of a $5 million advertising campaign, engaged in an extensive media push to encourage people to use air mail in 1972, only to tell us in 1975 that they are doing away with the air mail designation since the mail does not arrive any faster.

POSTAL SERVICE INEFFICIENCY

First. USPS has committed $43.4 million in contracting costs on equipment that is not suitable for production; will cost to 2 to 30 times more than existing systems; and will result in no substantial manpower savings.

Second. Without consideration of recruitment in-house or through civil service, USPS instituted an executive recruitment program totaling $660,000 in contractual costs to fill 78 positions, or an average cost of more than $8,400 per individual hired; and

Third. Mechanization in USPS has actually increased the quantity of missent mail. GAO reports show that operators of letter sorting machines keyed 9.1 percent of the mail incorrectly. Even after screening, 3.6 percent of the mail between States was missent due to incorrect keying and machine error. An additional 3.1 percent of the mail sent between States was missent because correctly keyed mail was mishandled after sorting. Missent mail was delayed an average of 3 days beyond delivery standards because no effort was made to remove it from the normal processing system.

In August of 1970, President Nixon signed into law the new Postal Service. At the time, the Congress provided:

A $10 billion capital improvement fund to update the physical plant;

A sum of $920 million annually as a public service subsidy to keep the small post offices open; and

An annual subsidy for the magazines, newspapers, et cetera which amounts to $307 million.

In spite of this financial assistance, the Postal Service has gone from assets of $3.4 billion in 1970 to an estimated deficit

of $4.5 billion by the end of fiscal 1977. The U.S. Postal Service is flat broke, and on the verge of collapse.

The problem is not really financial, it is managerial. We have watched the dismantling of the Postal Service over the objection of the people, and the Congress so far is unwilling to do anything about it. On October 1975, the House by a vote of 289 to 124 recognized the crisis by stating categorically that it would not approve any further moneys for the Postal Service without an accounting and annual authorization. After this vote, the House leadership succeeded in getting the bill back into committee, but when reported out with provisions similar to the Senate bill, the House again insisted on the appointment of the Postmaster General and annual authorization.

I believe the proper course of action is for the House to insist on its amendments to require annual authorization and appropriation for the USPS and to require Presidential appointment and Senate confirmation of the PMG and the Chief Deputy.

Congress will not permit the USPS to collapse. We can enact a supplemental appropriation bill providing a $500 million subsidy ending February 15, 1977. Then we will have answered the cries of the American people for postal reform by establishing a date certain to resolve this problem.

Every taxpayer should take a good look at this vote to table: a "yes" vote is to give a blank check to the PS and a continuation of the excesses of the past 6 years; a "no" vote is for oversight of Congress' accountability to the American people.

Further reserving the right to object, I have a question to ask the chairman of the Committee on Post Office and Civil Service, the gentleman from North Carolina (Mr. HENDERSON). Is it the gentleman's intention to offer a motion to table immediately following my offering of a motion to instruct? Further, is it the gentleman's understanding that in so doing he would cut off all debate, which would preclude a discussion of this matter?

Mr. HENDERSON. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from North Carolina for the purpose of answering my question.

Mr. HENDERSON. I thank the gentleman for yielding.

In response to the gentleman's question, under the rules it would be in order, and I will offer a motion to table the gentleman's motion to instruct the conferees. If it is the will of the House that it be tabled, the gentleman's conclusion is right that there would be no further debate.

If it is not, then there would be debate on the gentleman's motion, with the time being controlled by the gentleman, and then the vote would occur on whether the House would instruct its conferees.

Mr. ALEXANDER. Further reserving the right to object, I would like to ask the distinguished gentleman from North Carolina, is it his opinion as chairman of the committee that this is such an insignificant matter that it deserves no debate in the House of Representatives?

Mr. HENDERSON. Will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman for the purpose of answering my question.

Mr. HENDERSON. It is my opinion that the issue before the House is a clear one, and that is simply whether it is going to instruct its conferees and thus tie their hands before they are even able to sit down with the Senate conferees and attempt to resolve and get to our differences.

Mr. ALEXANDER. Further reserving the right to object, Mr. Speaker, is it not so, I ask the chairman, that the Senate bill would provide an open end appropriation to the Postal Service for a period of time beginning on enactment and ending in September of 1977 for $1 billion without the Postal Service having to account to this Congress for the spending of those funds?

Mr. HENDERSON. It is the understanding of the gentleman from North Carolina that there is $1 billion authorized by the Senate bill, but that will be a matter that will be subject to the conference and maintaining the position of the House in all respects will be the responsibility of the House conferees. There was no such authorization in the House legislation.

Mr. ALEXANDER. Further reserving the right to object, I would like to ask the gentleman from North Carolina, is it not the law under section 2004 of the Postal Reorganization Act of 1970 that such funds have already been authorized and merely need an appropriation from the Congress?

Mr. HENDERSON. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from North Carolina for the purpose of answering my question.

Mr. HENDERSON. The gentleman has asked for a legal interpretation of law that the chairman of the committee at this time is not prepared to answer. I am aware that there are varying interpretations of that provision.

Mr. ALEXANDER. Further reserving the right to object, I would like to advise the chairman of the committee that under section 2004 of the Postal Reorganization Act of 1970, an open end authorization has been enacted into law which requires only that the Postal Service come to Congress for an appropriation when such funds are needed in order to provide financial assistance to that independent agency.

And further reserving the right to object, Mr. Speaker, does not the chairman of the committee realize that the American people are so dissatisfied with the manner in which the Postal Service has been mismanaged over the last 6 years that this is such an important matter that it deserves some debate on the floor of the House of Representatives in order that we can get this issue out so that every Member can understand the significance of his or her vote on this motion to instruct?

It is my feeling that a vote for the motion to instruct is a vote for oversight and is a vote for accountability to the American people. A vote against the motion to instruct is a vote for a continuation of the mismanagement and the wasteful policies of the Postal Service over the last 6 years.

Would the gentleman from North Carolina not consent to the fact that debate on this important matter is of importance to this body?

Mr. HENDERSON. If the gentleman will yield so that I might respond to his question, certainly the rules of the House permit debate on this matter as well as no debate. This question is subject to the will of the Members of the House of Representatives and will be decided by voting on my motion to table. I would remind the gentleman that when the House considers the conference report, that would afford an opportunity to debate this matter further.

I feel sure that the Members of the House can make up their minds as to what is in the best interests of their constituents and the country and they will have ample opportunity to do so.

Mr. ALEXANDER. Mr. Speaker, further reserving the right to object, is it the position of the chairman that a vote for the gentleman's motion to table would be a vote against the House-passed amendments that prevailed in October of last year?

Mr. HENDERSON. Mr. Speaker, if the gentleman will yield further, it would not be the position of the chairman of the committee that that is the case. It simply would mean that the conferees to be appointed by the Speaker on the part of the House would go to the conference and do their very best to uphold the position of the House in resolving the differences between the House and the Senate and bring back the very best legislation by way of a conference report to the House for enactment in this Congress, so that we could meet the needs of the Postal Service for the American people.

Mr. ALEXANDER. Mr. Speaker, further reserving the right to object, I would disagree with the position and the statement of the gentleman from North Carolina and because of that disagreement I would think we need more debate on this issue, so that we could have the opportunity to address the specific questions that are contained in the Senate bill which are of importance to this House, as evidenced by the fact that the House on two specific occasions last year passed my amendment; one by a 2 to 1 margin and the second time by an overwhelming margin, to require the Postal Service to come to the Congress for annual authorization and an annual appropriation.

I would think because of the differences of opinion that the gentleman from North Carolina and I have on this subject that it is meritorious of debate.

Would the gentleman not agree with that difference?

Mr. HENDERSON. Mr. Speaker, if the gentleman will yield further, I know there are definite differences of opinion with regard to specific questions; but the very purpose of a conference between this body and the Senate is to try to resolve the differences between the two bills. I believe that the conferees, who are most knowledgeable about the problems and the law affecting the operation of the Postal Service, will bring back to the House the very best product that can be brought from the conference.

I certainly believe that we can do this best if we are not instructed, as the gentleman from Arkansas wishes to do.

Mr. ALEXANDER. Mr. Speaker, further reserving the right to object, I yield to the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Speaker, I wonder if the chairman of the committee would not tell us whether an agreement has already been made since the conference started, because it is suggested that without even having a conference, they have already made an agreement on the bill.

Mr. HENDERSON. Mr. Speaker, will the gentleman from Arkansas yield further?

Mr. ALEXANDER. I yield.

Mr. HENDERSON. Mr. Speaker, in response to the question of the gentleman from California, even since we had the colloquy yesterday, I am not conversant with all the provisions in the Senate bill. Therefore, it would not be possible and, in fact, no agreement that has been reached.

Mr. Speaker, that is the simple purpose of a conference, identify the differences, resolve those differences as best we can on behalf of the House in a manner that will best reflect the earlier action of the House. That would be my intention as chairman of the conferees of this body.

Mr. ALEXANDER. Mr. Speaker, further reserving the right to object, I yield to the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Speaker, I do not know whether the quotations attributed to the Senator from Wyoming, the chairman of the Committee on Post Office in the Senate, are reliable or not; but the Senator was quoted as saying that an agreement had been reached between the leadership of the two Post Office Committees on the content of the bill that was passed out of the Senate.

I do not know who the leadership of the House was. I was not consulted on it, but that was his quote, anyway. I assume that the gentleman was speaking a truthful fact.

Has there been an agreement made to accept the bill in principle, with one or two, perhaps minor, exceptions that the gentleman may have?

Mr. HENDERSON. If the gentleman would yield further, I saw the quote the gentleman referred to in the newspaper. I was not quoted and I can assure the gentleman that no agreement has been reached between potential House conferees and the conferees of the other body. The purpose of the conference is to achieve a resolution of those differences by all conferees and not solely by one.

Mr. ALEXANDER. Mr. Speaker, further reserving the right to object, I would like to ask the gentleman from California (Mr. CHARLES H. WILSON), chairman of the Subcommittee on Postal Facilities, does he not support my motion to instruct the conferees to adhere to the House position?

Mr. CHARLES H. WILSON of California. I chair the Subcommittee on Postal Facilities, Mail and Labor Management. As a result of hearings my subcommittee has conducted, we have found that there is great need for the Postal Service to be accountable to the Congress. We have no way of knowing what revenues are coming in, and no way of knowing what expenditures are going out. The only thing we have is the word of the Postal Service.

They are playing games with the labor unions on contracts, playing games with mailers. In my opinion, the bill we are going to be asked to appoint conferees to so that they can agree with the Senate bill is one that satisfies the mailers. It keeps the unions happy because they are going to keep having sweetheart contracts without having any oversight by the Congress.

There are so many things that are improper about it that I think it does have to be revised. I do remind the gentleman also that we are not in any great emergency on this problem, because in the Appropriations Committee, the gentleman will recall, a group of us introduced a bill——

POINT OF ORDER

Mr. DERWINSKI. Mr. Speaker, a point of order.

The discussion is going far beyond the point of order made by the gentleman from Arkansas. It is obvious that this is a discussion far removed from the point, and I wish we would stay on that point, if it is possible for the gentleman to be precise in his remarks.

Mr. ALEXANDER. Mr. Speaker, I am reserving the right to object. I have not made a point of order. I have reserved the right to object, and I would ask the gentleman from California to answer my question.

Mr. CHARLES H. WILSON of California. In addition to the things I have already stated, I think the bill that is in Mr. STEED's committee can be moved anytime we need to. It takes care of appropriations, prevents the Postal Service from increasing rates and protects the service that is now being given to the public. This is all that is needed at this time. It will take care of the problems that have to be resolved immediately.

None of the mailers have to have their rates increased. The labor unions are free to argue and sleep with the Postal Service management as much as they want to, and things will be left the way they are.

Mr. ALEXANDER. Further reserving the right to object, I would like to ask the gentleman from California, (Mr. ROUSSELOT) if it is not true that the U.S. Postal Service has taken assets of $3.4 billion which it had in 1970, and turned that into almost an $8 billion loss by 1976. Is that correct?

Mr. ROUSSELOT. If the gentleman will yield, the best figures we can obtain show that the former equity position has, in fact, been badly diminished. It is hard to get a correct accounting of the amount of the deficit that has now been created because, as many Members know, under the Postal Reorganization Act this new organization can basically—and does many times—thumb its nose at Congress. Consequently, they do not give us full information.

But, the gentleman is correct, the best figures we can get show that they have created a substantial deficit. They have had to borrow heavily in the marketplace, not just for capital expenditures as was originally contemplated in the legislation, but to make up operating deficits so that they will not have to come to Congress for additional appropriations.

Mr. Speaker, will the gentleman from Arkansas (Mr. ALEXANDER) yield further for a question?

Mr. ALEXANDER. Mr. Speaker, further reserving the right to object, I yield to the gentleman from California (Mr. ROUSSELOT) to finish his statement.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Speaker, I have a question I would like to direct to the very distinguished chairman of the committee. We had a colloquy yesterday. Has the chairman of the committee now had an opportunity to review the differences between the two bills, the Senate bill and the House bill?

The reason I ask that question is that yesterday the chairman suggested that he had not had an opportunity to review it. I realize there are quite a few differences. But can the gentleman give us a thumbnail review of some of the major differences?

Mr. Speaker, the reason that becomes important is that I may be constrained to object, if we are going to have a cutoff of debate here by a motion to table and disallow the Members of this House to have a full debate on the issue of the postal amendments. Many of us are plagued daily by demands from our constituencies to know why we have not done a better job of oversight on this so-called postal reform group, which resulted from the Postal Reorganization Act of 1970, that great act that was passed 6 years ago.

Therefore, I would like to ask my chairman if he has had an opportunity to really review the basic differences between this bill and the Senate version.

Mr. HENDERSON. Mr. Speaker, will the gentleman from Arkansas (Mr. ALEXANDER) yield?

Mr. ALEXANDER. Mr. Speaker, further reserving the right to object, I yield to the gentleman from North Carolina (Mr. HENDERSON) for the purpose of responding to the question posed by the gentleman from California (Mr. ROUSSELOT.)

Mr. HENDERSON. I thank the gentleman for yielding.

Mr. Speaker, in response to the question of the gentleman from California, the gentleman from North Carolina, to the best extent that he has been able, since the colloquy yesterday and at this moment, has been directing his attention to responding to what he understood would be the proposed motion to instruct. This motion encompasses a rather narrowly defined area of difference between the House and the Senate versions of H.R. 8603. If the Members of the House to do not support my motion to table, then I have anticipated and I have devoted my time to preparing the debate that will be held on the motion to instruct.

There are differences other than those covered in the proposed motion that I keep learning about. But in the short time we have had, there was no way I could prepare myself to give a full discussion of what the differences are.

It would be the intent of the chairman of the conference, as soon as we are permitted to go to conference, to have our own staff brief us, as fully as they can, before we go to conference with the other body.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman from Arkansas (Mr. ALEXANDER) yield further?

Mr. ALEXANDER. Mr. Speaker, further reserving the right to object, I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, there are many areas to ferret out and find out as to what the differences are between the House and Senate bills.

By the way, I had a chance last night to go through what is known as the committee print of the differences between these two bills as of July 27. They do seem rather substantial. I feel that the Alexander amendment deals only with one portion.

Can the gentleman assure us that we will not go to conference before next week, so that we really have a chance to dig into these substantial differences, or will there be a chance of going to conference tomorrow?

Mr. HENDERSON. Mr. Speaker, will the gentleman from Arkansas (Mr. ALEXANDER) yield further?

Mr. ALEXANDER. Mr. Speaker, I yield to the gentleman from North Carolina (Mr. HENDERSON) for the purpose of responding to the question put by the gentleman from California (Mr. ROUSSELOT).

Mr. HENDERSON. I thank the gentleman for yielding.

Mr. Speaker, the gentleman from North Carolina, as chairman of the conference, would intend to call a meeting as quickly as we can after my unanimous consent request is agreed to. I am advised that our staff is prepared to brief the conferees and I feel we will be fully prepared in a short time to go to conference with the other body.

Mr. ROUSSELOT. If the gentleman will yield further, does that mean tomorrow?

Mr. HENDERSON. Mr. Speaker, I think it depends upon when this pending action is concluded. I would anticipate that within a day or so after the conferees are appointed they will be prepared. I have no communication or information as to when the conferees of the other body will be prepared, but I can assure the gentleman from California (Mr. ROUSSELOT) that the conferees on the House side will not be forced to go into conference until the majority of the conferees are satisfied that they are adequately prepared at the time they meet in conference with the other body.

PARLIAMENTARY INQUIRY

Mr. ALEXANDER. Mr. Speaker, I desire to put a parliamentary inquiry to the Chair.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. ALEXANDER. Mr. Speaker, if an objection is heard, is it not so that the procedure that would be followed is for the chairman of the committee to go to the committee, convene the committee, and get a motion to come back to the floor asking for a conference, and that that then would be subject to 1 hour of general debate? Is that not so?

The SPEAKER. That is one avenue of approach, the gentleman is correct.

Mr. HANLEY. Mr. Speaker, will the gentleman from Arkansas yield?

Mr. ALEXANDER. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York (Mr. HANLEY) only for the purpose of asking a question.

Mr. HANLEY. Mr. Speaker, I thank the gentleman for yielding.

Regretfully, I must question the gentleman's objectivity in that it is rather obvious that questions that should have been directed to the area of this jurisdiction, which is the Subcommittee on Postal Service, were instead directed to the jurisdiction of the gentleman from California (Mr. CHARLES H. WILSON), who is chairman of the Subcommittee on Postal Facilities, Mail, and Labor Management, and who has not at all been involved in this subject matter. So I am forced to question the gentleman's objectivity, and for the benefit of those who have been listening, that hopefully transmits a bit of a message in that the gentleman from California (Mr. CHARLES H. WILSON) happens to support the position of the gentleman from Arkansas (Mr. ALEXANDER).

I would have enjoyed the opportunity of responding to the questions that should have been directed to this area of jurisdiction.

Mr. Speaker, again I thank the gentleman for yielding.

Mr. ALEXANDER. Mr. Speaker, I appreciate the gentleman's position.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask the chairman of my subcommittee, the distinguished gentleman from North Carolina (Mr. HENDERSON), is there any great rush so that we cannot go and get a rule and come back to the House on, say, Monday or Tuesday and proceed under a regular rule? Would there be any great catastrophe if the conference met next week? I know the gentleman could get a rule very quickly. Is there any problem posed with getting a rule and just coming in and considering this at that time?

Mr. HENDERSON. Mr. Speaker, will the gentleman yield so that I may respond to the question asked by the gentleman from California?

Mr. ALEXANDER. I yield to the gentleman from North Carolina for the purpose of responding.

Mr. HENDERSON. Mr. Speaker, I know that the gentleman from California (Mr. ROUSSELOT) has been a member of the Committee on Post Office and Civil Service for many years. I am at a loss in this instance to understand what all the difficulty is about.

It seems to me that here we have a rather routine request that the Speaker appoint conferees on the part of the House so that we may go to conference with the Senate. I think that everyone realizes that we are near the end of this Congress, and that this legislation has had as much attention as any in the House and more recently in the other body. Surely our conferees ought to be free to act in attempting to resolve the differences between the two bodies and come back with a very fine compromise, one that we would recommend to the President for enactment.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, does that mean the gentleman from North Carolina (Mr. HENDERSON) does not have any great objection to going in and getting a rule for the consideration of this matter before going to conference?

Mr. HENDERSON. Mr. Speaker, will the gentleman yield further?

Mr. ALEXANDER. I yield to the gentleman from North Carolina for the purpose of responding to the question.

Mr. HENDERSON. Mr. Speaker, the gentleman from North Carolina does not believe that this matter could be resolved by following that procedure between now and the proposed adjournment date, so I certainly would object. Everything that I am trying to do with regard to this matter is to prevent delay and is directed toward expediting the legislation, but with as great care as we can exercise to protect the prerogatives and will of this body.

Mr. ALEXANDER. Mr. Speaker, I agree with the gentleman from North Carolina (Mr. HENDERSON). I do not want to delay the proceedings of this body either, and I will not object. However, I will advise the Speaker that I have a motion to instruct at the desk which I will insist upon offering immediately following the granting of the unanimous-consent request.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MOTION OFFERED BY MR. ALEXANDER

Mr. ALEXANDER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Alexander moves that the Managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 8603, be instructed to insist upon (1) section 2(a) and section 2(c) of such bill as passed the House; (2) section 2401(b)(1) of title 39, U.S. Code, as added by section 2(b) of such bill as passed the House; and (3) section 16 of such bill as passed the House.

MOTION TO TABLE OFFERED BY MR. HENDERSON

Mr. HENDERSON. Mr. Speaker, I move that the motion offered by the gentleman from Arkansas (Mr. ALEXANDER) be laid on the table.

Mr. GILMAN. Mr. Speaker, I rise in opposition to the motion of the gentleman from North Carolina (Mr. HENDERSON), the distinguished chairman of the Post Office and Civil Service Committee, to table the motion of the gentleman from Arkansas (Mr. ALEXANDER) to instruct the conferees on H.R. 8603, the Postal Reorganization Act Amendments of 1975.

Mr. Speaker, although I oppose this motion to table, let me say that I am inclined to support the form of the compromise that has been so assiduously negotiated among congressional leaders, the White House, and the Postal Service. While I am, of course, deeply disappointed that this compromise is all we have to show for 2 years of extensive efforts on the part of many of the Members here present, I believe that this bargain is probably the best that we can hope to accomplish in the heat and passion of an election year. On the other hand, I cannot envision just how a blue-ribbon commission with a duration of 4 to 5 months can possibly uncover any new remedies that have not already been endlessly discussed and debated either in committee or on the floor of this House. However, given the political reality of present circumstances, I am prepared to adopt a wait-and-see attitude and let a fresh Congress grapple with the Commission's recommendations and the mammoth problems of the Postal Service, since this Congress appears either unwilling or unable to act decisively in their own right.

But, turning to the motion presently before us, I feel very strongly that the motion by the gentleman from Arkansas (Mr. ALEXANDER) to instruct the conference committee should be debated. If we agree to the motion to table, then we are cutting off all further debate and denying ourselves the opportunity to confront the very serious, complex problems of the Postal Service. The issues that underline the motion to instruct the conferees to restore congressional control over postal revenues—fiscal accountability, sound management and the degree and quality of service—are at the very heart of the present controversy and are of so critical an importance that they cannot be ducked.

By rejecting debate, we are also denying ourselves the opportunity to instruct and guide the new blue-ribbon commission. Here we have a golden chance to impart to the commission members at the outset of their deliberations the position of the House of Representatives on each and every one of these multiple Postal Service issues.

Mr. Speaker, I earlier voted for the Alexander amendment to H.R. 8603 for the same reason that I now urge my colleagues not to cut off debate on the motion to instruct. I urge this debate not because I necessarily believe that Congress should control postal expenditures, and certainly not to jeopardize any of the collective-bargaining agreements currently in force. Rather, I support debate on the motion to instruct because there are very real problems that cry out for answers not temporizing; principles to be fought for rather than shouldered on some blue-ribbon commission, and the need to loudly and clearly proclaim that we are not satisfied with the past efforts of the Postal Service, and that we demand immediate, substantive, and visible improvements in all areas of postal operations.

Accordingly, I urge that the motion to table the motion to instruct the conferees be resoundingly defeated.

PARLIAMENTARY INQUIRIES

Mr. ALEXANDER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. ALEXANDER. Mr. Speaker, is it not so that the parliamentary situation is that my motion is entitled to 1 hour of general debate on that motion, the time to be controlled by me as the person who is offering the motion; but in view of the fact that the gentleman from North Carolina (Mr. HENDERSON) has offered a motion to table, a vote for that motion would preclude any debate and preclude any consideration of the motion to instruct? Is that correct, Mr. Speaker?

The SPEAKER. The Chair will state that if the motion to table is voted upon and rejected, 1 hour will be allotted to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALEXANDER. Mr. Speaker, I do not insist upon the full hour of general debate if the motion to table is voted down, but I would like to advise the Members that a vote against the motion to table is a vote for the motion to instruct.

The SPEAKER. The Chair will inform the gentleman that that is not a parliamentary inquiry.

PARLIAMENTARY INQUIRY

Mr. ROUSSELOT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. ROUSSELOT. Mr. Speaker, is the motion to table in writing?

The SPEAKER. The Chair will state that it is.

The question is on the motion to table.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. HENDERSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 234, nays 153, not voting 44, as follows:

[Roll No. 663]

YEAS—234

Addabbo	Goldwater	Oberstar
Ambro	Gonzalez	Obey
Anderson, Ill.	Grassley	O'Brien
Andrews, N.C.	Gude	O'Hara
Andrews, N. Dak.	Guyer	Passman
Annunzio	Haley	Patten, N.J.
Armstrong	Hall, Ill.	Pattison, N.Y.
Ashley	Hamilton	Perkins
Aspin	Hammer-schmidt	Pike
AuCoin	Hanley	Preyer
Baldus	Harkin	Price
Beard, R.I.	Harrington	Rangel
Bedell	Harris	Rees
Bergland	Harsha	Regula
Biaggi	Hayes, Ind.	Reuss
Biester	Helstoski	Rhodes
Bingham	Henderson	Richmond
Blanchard	Hicks	Rinaldo
Blouin	Hillis	Rodino
Boggs	Holtzman	Roe
Boland	Horton	Roncalio
Bolling	Howard	Rooney
Bonker	Hubbard	Rosenthal
Bowen	Hughes	Rostenkowski
Brademas	Hungate	Roush
Brodhead	Hyde	Roybal
Brown, Calif.	Johnson, Calif.	Ruppe
Brown, Mich.	Jones, Ala.	St Germain
Brown, Ohio	Jordan	Santini
Burke, Mass.	Karth	Sarbanes
Burton, John	Kastenmeier	Schneebeli
Butler	Kazen	Sebelius
Carney	Kemp	Seiberling
Cederberg	Krueger	Sharp
Clay	LaFalce	Shipley
Cochran	Lagomarsino	Shriver
Cohen	Landrum	Simon
Conable	Leggett	Slack
Conte	Lent	Smith, Nebr.
Conyers	Long, La.	Solarz
Cornell	Long, Md.	Spellman
Coughlin	Lott	Staggers
Crane	Lundine	Stanton, J. William
D'Amours	McClory	Stark
Daniels, N.J.	McCollister	Steed
Delaney	McDade	Steiger, Wis.
Dellums	McEwen	Stephens
Dent	McFall	Stokes
Derwinski	McHugh	Stratton
Dingell	McKay	Studds
Dodd	Madden	Sullivan
Downey, N.Y.	Madigan	Taylor, Mo.
Drinan	Maguire	Taylor, N.C.
Duncan, Oreg.	Matsunaga	Thompson
du Pont	Mazzoli	Thone
Eckhardt	Meeds	Treen
Edgar	Meyner	Tsongas
Edwards, Ala.	Mezvinsky	Udall
Edwards, Calif.	Michel	Ullman
Eilberg	Mikva	Vander Jagt
Emery	Milford	Vander Veen
Erlenborn	Miller, Calif.	Vanik
Fary	Mineta	Vigorito
Fenwick	Minish	Walsh
Findley	Mink	Weaver
Fish	Mitchell, Md.	Whalen
Fisher	Mitchell, N.Y.	Wiggins
Fithian	Moakley	Wilson, Bob
Flood	Morgan	Wilson, Tex.
Florio	Moss	Winn
Flynt	Murphy, Ill.	Wirth
Foley	Murtha	Wolff
Ford, Mich.	Myers, Ind.	Wydler
Ford, Tenn.	Myers, Pa.	Yates
Fraser	Natcher	Yatron
Frenzel	Nedzi	Young, Ga.
Gaydos	Nix	Zablocki
Giaimo	Nowak	Zeferetti

NAYS—153

Abdnor	Archer	Bell
Adams	Ashbrook	Bennett
Alexander	Bafalis	Bevill
Allen	Baucus	Breaux
Anderson, Calif.	Bauman	Breckinridge
	Beard, Tenn.	Brinkley

Brooks	Hannaford	Nichols
Broomfield	Hansen	O'Neill
Broyhill	Hechler, W. Va.	Ottinger
Buchanan	Heckler, Mass.	Patterson, Calif.
Burke, Calif.	Hefner	Paul
Burke, Fla.	Hightower	Pepper
Burleson, Tex.	Holland	Pettis
Burlison, Mo.	Holt	Pickle
Byron	Hutchinson	Pressler
Carr	Ichord	Prichard
Carter	Jacobs	Quie
Chappell	Jarman	Quillen
Clancy	Jeffords	Randall
Clawson, Del	Jenrette	Risenhoover
Cleveland	Johnson, Colo.	Roberts
Collins, Ill.	Jones, N.C.	Robinson
Collins, Tex.	Jones, Okla.	Rogers
Corman	Kasten	Rousselot
Cotter	Kelly	Runnels
Daniel, Dan	Ketchum	Ryan
Daniel, R. W.	Keys	Sarasin
Danielson	Kindness	Satterfield
Davis	Koch	Scheuer
Derrick	Krebs	Schroeder
Devine	Latta	Schulze
Dickinson	Levitas	Shuster
Diggs	Lloyd, Calif.	Sikes
Downing, Va.	Lloyd, Tenn.	Skubitz
Duncan, Tenn.	Lujan	Snyder
English	McCormack	Spence
Eshleman	McDonald	Stuckey
Evans, Colo.	Mahon	Symington
Evans, Ind.	Mann	Symms
Fascell	Mathis	Thornton
Flowers	Melcher	Van Deerlin
Forsythe	Metcalfe	Waggonner
Fountain	Miller, Ohio	Wampler
Frey	Mills	White
Fuqua	Moffett	Whitehurst
Gibbons	Mollohan	Whitten
Gilman	Montgomery	Wilson, C. H.
Ginn	Moore	Wright
Goodling	Moorhead, Pa.	Young, Fla.
Gradison	Mottl	Young, Tex.
Hagedorn	Murphy, N.Y.	
Hall, Tex.	Neal	

NOT VOTING—44

Abzug	Heinz	Riegle
Badillo	Hinshaw	Rose
Burgener	Howe	Russo
Burton, Phillip	Johnson, Pa.	Sisk
Chisholm	Jones, Tenn.	Smith, Iowa
Clausen, Don H.	Lehman	Stanton, James V.
Conlan	McCloskey	Steelman
de la Garza	McKinney	Steiger, Ariz.
Early	Martin	Talcott
Esch	Moorhead, Calif.	Teague
Evins, Tenn.	Mosher	Traxler
Green	Nolan	Waxman
Hawkins	Peyser	Wylie
Hays, Ohio	Poage	Young, Alaska
Hébert	Railsback	

The Clerk announced the following pairs:

On this vote:

Mr. Badillo for, with Mr. Hébert against.

Ms. Abzug for, with Mr. Howe against.

Mrs. Chisholm for, with Mr. Teague against.

Mr. Lehman for, with Mr. Johnson of Pennsylvania against.

Mr. Hawkins for, with Mr. Wylie against.

Mr. Russo for, with Mr. Young of Alaska against.

Mr. Phillip Burton for, with Mr. Jones of Tennessee against.

Mr. James V. Stanton for, with Mr. Evins of Tennessee against.

Until further notice:

Mr. Burgener with Mr. Don H. Clausen.

Mr. Conlan with Mr. de la Garza.

Mr. Early with Mr. Esch.

Mr. Green with Mr. Traxler.

Mr. Heinz with Mr. Martin.

Mr. McCloskey with Mr. McKinney.

Mr. Nolan with Mr. Moorhead of California.

Mr. Peyser with Mr. Mosher.

Mr. Riegle with Mr. Rose.

Mr. Steiger of Arizona with Mr. Sisk.

Mr. Smith of Iowa with Mr. Steelman.

Mr. Waxman with Mr. Talcott.

Mr. MITCHELL of Maryland and Mr. LAGOMARSINO changed their vote from "nay" to "yea."

Mr. KELLY changed his vote from "yea" to "nay."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees: Messrs. HENDERSON, UDALL, NIX, HANLEY, FORD of Michigan, DERWINSKI, and JOHNSON of Pennsylvania.

GENERAL LEAVE

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks during the debate prior to the preceding vote that was just announced.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL MIDNIGHT TOMORROW, FRIDAY, AUGUST 27, 1976, TO FILE A REPORT ON H.R. 13089

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tomorrow, Friday, August 27, 1976, to file a report on the bill (H.R. 13089) Daylight Savings Time Act of 1976.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia.

There was no objection.

SUPPLEMENTAL SECURITY INCOME AMENDMENTS OF 1976

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1467 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1467

Resolved, That upon the adoption of this resolution, it shall be in order to move, section 401(b) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8911) to amend title XVI of the Social Security Act to make needed improvements in the program of supplemental security income benefits. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider, section 303(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, an amendment in the nature of a substitute consisting of the text of the bill H.R. 15080 and said substitute shall be considered as an original bill for the purpose of amendment under the five-minute rule. No amendment shall be in order to the bill or to said substitute except amendments offered by direction of the Committee on Ways and Means and germane amendments printed in the Congressional Record at least two legislative days prior to the consideration of said bill for amendment, but said amendments shall not be subject to amendment except those offered by direction of the Committee on Ways and Means and pro forma amendments. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. MCFALL). The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for one hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution provides for the consideration of the bill (H.R. 8911) to amend title XVI of the Social Security Act.

The bill makes a number of modifications in the supplemental security income program.

Mr. Speaker, the rule provides 2 hours of general debate and provides for a clean bill (H.R. 15080) to be in order as an amendment in the nature of a substitute. The rule provides that this text shall be considered as an original bill for the purpose of amendment.

I should make the situation clear in this respect. The only purpose of this provision is to provide for more orderly consideration.

Mr. Speaker, this is an open rule to the extent that it permits the offering of any amendment printed in the RECORD at least 2 legislative days prior to consideration of the bill. The rule also permits amendments offered by direction of the Committee on Ways and Means. It does not permit amendments to amendments.

It was the opinion of the Committee on Ways and Means that the House should have an opportunity to work its will but that the law being amended was so complex and involves such large funding that the committee needed adequate time to review any proposed amendments. The Committee on Rules concurred and recommended this rule as a fair procedure for protecting the right of Members to offer amendments while meeting the committee's concern.

The resolution contains a purely technical waiver of section 401(b) of the Budget Act. The bill which is being called up (H.R. 8911) provides entitlements taking effect before October 1. But the actual text which will be before the House (H.R. 15080) is in compliance with section 401.

The resolution does waive section 303(a) of the Budget Act and this is an actual waiver. The committee substitute contains language which will include Puerto Rico, the Virgin Islands, and Guam under the SSI program effective at the beginning of fiscal year 1978.

Section 303 would not normally per-

mit the enactment of legislation providing new entitlement authority until adoption of the first concurrent resolution on the budget for that year.

But, Mr. Speaker, the Budget Act contains procedures for waiver of section 303 recognizing that there are some programs which justify—and even require—this kind of lead time. The Budget Committee agrees that this provision is such a case and has no objection to a waiver of section 303(a).

Mr. Speaker, the rule provides a fair and orderly method for the consideration of an important bill and I urge its adoption.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule makes in order the consideration of H.R. 8911, the supplemental security income amendments of 1976, notwithstanding the bill's violation of section 401(b) of the Congressional Budget Act, which relates to entitlements. There is to be 2 hours of general debate, and the bill is to be read for amendment under the 5-minute rule.

The rule also makes it in order to consider an amendment in the nature of a substitute consisting of the text of H.R. 15080, the supplemental security income amendments, nothwithstanding its violation of section 303(a) of the Congressional Budget Act, which deals with new spending authority. This substitute is to be considered as an original bill for purposes of amendment under the 5-minute rule.

No amendment will be in order to the bill or to the substitute except amendments offered by direction of the Committee on Ways and Means and germane amendments printed in the CONGRESSIONAL RECORD at least 2 legislative days prior to consideration of the bill for amendment. However, these amendments will not be subject to amendment except those offered by direction of the Committee on Ways and Means and pro forma amendments.

H.R. 8911 includes 17 sections amending various provisions of title XVI of the Social Security Act to make needed improvements in the program of supplemental security income benefits. This program, of course, administers payments to the poor, aged, blind, and disabled persons in all 50 States. The legislation to be debated pursuant to this rule, among other things, also would extend the SSI program to Puerto Rico, Guam, and the Virgin Islands.

Mr. Speaker, I urge its adoption of the rule at this time so that we may proceed to consider and pass the supplemental security income amendments of 1976.

Mr. Speaker, I have no requests for time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LEVITAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 380, nays 0, not voting 51, as follows:

[Roll No. 664]

YEAS—380

Abdnor	Devine	Jenrette
Adams	Dickinson	Johnson, Calif.
Addabbo	Diggs	Johnson, Colo.
Alexander	Dingell	Jones, Ala.
Allen	Dodd	Jones, N.C.
Ambro	Downey, N.Y.	Jones, Okla.
Anderson, Calif.	Downing, Va.	Jordan
Anderson, Ill.	Drinan	Karth
Andrews, N.C.	Duncan, Oreg.	Kasten
Andrews, N. Dak.	Duncan, Tenn.	Kastenmeier
Annunzio	du Pont	Kazen
Archer	Eckhardt	Kelly
Armstrong	Edgar	Kemp
Ashbrook	Edwards, Ala.	Ketchum
Ashley	Edwards, Calif.	Keys
Aspin	Eilberg	Kindness
AuCoin	Emery	Koch
Bafalis	English	Krebs
Baldus	Erlenborn	Krueger
Baucus	Eshleman	LaFalce
Bauman	Evans, Colo.	Lagomarsino
Beard, R.I.	Evans, Ind.	Landrum
Beard, Tenn.	Fary	Latta
Bedell	Fascell	Lent
Bell	Fenwick	Levitas
Bennett	Findley	Lloyd, Calif.
Bergland	Fish	Lloyd, Tenn.
Bevill	Fisher	Long, La.
Biaggi	Fithian	Long, Md.
Biester	Flood	Lott
Bingham	Florio	Lujan
Blanchard	Flowers	Lundine
Blouin	Flynt	McClory
Boggs	Foley	McCollister
Boland	Ford, Mich.	McCormack
Bolling	Ford, Tenn.	McDade
Bonker	Forsythe	McDonald
Bowen	Fountain	McEwen
Brademas	Fraser	McFall
Breaux	Frenzel	McHugh
Breckinridge	Frey	McKay
Brinkley	Gaydos	Madden
Brodhead	Giaimo	Madigan
Brooks	Gibbons	Maguire
Broomfield	Gilman	Mahon
Brown, Mich.	Ginn	Mann
Brown, Ohio	Goldwater	Mathis
Broyhill	Gonzalez	Matsunaga
Buchanan	Goodling	Mazzoli
Burke, Calif.	Gradison	Meeds
Burke, Fla.	Grassley	Melcher
Burke, Mass.	Gude	Metcalfe
Burleson, Tex.	Guyer	Meyner
Burlison, Mo.	Hagedorn	Mezvinsky
Butler	Haley	Michel
Byron	Hall, Ill.	Mikva
Carney	Hall, Tex.	Milford
Carr	Hamilton	Miller, Calif.
Carter	Hammer-schmidt	Miller, Ohio
Cederberg	Hanley	Mills
Chappell	Hannaford	Mineta
Clancy	Hansen	Minish
Clawson, Del	Harkin	Mink
Clay	Harrington	Mitchell, Md.
Cleveland	Harris	Mitchell, N.Y.
Cochran	Harsha	Moakley
Cohen	Hawkins	Moffett
Collins, Ill.	Hayes, Ind.	Mollohan
Collins, Tex.	Hechler, W. Va.	Montgomery
Conable	Heckler, Mass.	Moore
Conte	Hefner	Moorhead, Pa.
Conyers	Helstoski	Morgan
Corman	Hicks	Moss
Cornell	Hightower	Mottl
Cotter	Hillis	Murphy, Ill.
Coughlin	Holland	Murphy, N.Y.
Crane	Holt	Murtha
D'Amours	Holtzman	Myers, Ind.
Daniel, Dan	Horton	Myers, Pa.
Daniel, R. W.	Howard	Natcher
Daniels, N.J.	Hubbard	Neal
Danielson	Hughes	Nedzi
Davis	Hungate	Nix
Delaney	Hutchinson	Nolan
Dellums	Hyde	Nowak
Dent	Ichord	Oberstar
Derrick	Jacobs	Obey
Derwinski	Jarman	O'Brien
	Jeffords	O'Hara
		O'Neill
Ottinger	Runnels	Taylor, Mo.
Passman	Ruppe	Taylor, N.C.
Patten, N.J.	Ryan	Thompson
Patterson, Calif.	St Germain	Thone
Pattison, N.Y.	Santini	Thornton
Paul	Sarasin	Traxler
Pepper	Sarbanes	Treen
Perkins	Satterfield	Tsongas
Pettis	Scheuer	Udall
Pickle	Schneebeli	Ullman
Pike	Schroeder	Van Deerlin
Pressler	Schulze	Vander Jagt
Preyer	Sebelius	Vander Veen
Price	Seiberling	Vanik
Pritchard	Sharp	Vigorito
Quie	Shipley	Waggonner
Quillen	Shriver	Walsh
Railsback	Shuster	Wampler
Randall	Sikes	Weaver
Rangel	Simon	Whalen
Rees	Skubitz	White
Regula	Slack	Whitehurst
Reuss	Smith, Nebr.	Whitten
Rhodes	Snyder	Wiggins
Richmond	Solarz	Wilson, Bob
Rinaldo	Spellman	Wilson, C. H.
Risenhoover	Staggers	Wilson, Tex.
Roberts	Stanton, J. William	Winn
Robinson	Stark	Wirth
Rodino	Steed	Wydler
Roe	Steiger, Wis.	Yates
Rogers	Stephens	Yatron
Roncalio	Stokes	Young, Fla.
Rooney	Stratton	Young, Ga.
Rosenthal	Studds	Young, Tex.
Rostenkowski	Sullivan	Zablocki
Roush	Symington	Zeferetti
Roybal	Symms	

NAYS—0

NOT VOTING—51

Abzug	Heinz	Rose
Badillo	Henderson	Rousselot
Brown, Calif.	Hinshaw	Russo
Burgener	Howe	Sisk
Burton, John	Johnson, Pa.	Smith, Iowa
Burton, Phillip	Jones, Tenn.	Spence
Chisholm	Leggett	Stanton, James V.
Clausen, Don H.	Lehman	Steelman
Conlan	McCloskey	Steiger, Ariz.
de la Garza	McKinney	Stuckey
Early	Martin	Talcott
Esch	Moorhead, Calif.	Teague
Evins, Tenn.	Mosher	Waxman
Fuqua	Nichols	Wolff
Green	Peyser	Wright
Hays, Ohio	Poage	Wylie
Hébert	Riegle	Young, Alaska

The Clerk announced the following pairs:

Mr. Teague with Mr. Wylie.
Mr. Wolff with Mr. Peyser.
Mr. Nichols with Mr. Riegle.
Mr. Badillo with Mr. Green.
Mr. Hébert with Mr. Hays of Ohio.
Mr. Fuqua with Mr. Conlan.
Mr. Early with Mr. Esch.
Mr. de la Garza with Mr. Brown of California.
Ms. Chisholm with Mr. Evins of Tennessee.
Mr. Phillip Burton with Mr. Heinz.
Ms. Abzug with Mr. Howe.
Mr. Jones of Tennessee with Mr. Johnson of Pennsylvania.
Mr. John Burton with Mr. Mosher.
Mr. Henderson with Mr. Burgener.
Mr. Smith of Iowa with Mr. Moorhead of California.
Mr. Russo with Mr. Morton.
Mr. Rose with Mr. Rousselot.
Mr. Stuckey with Mr. Don H. Clausen.
Mr. Waxman with Mr. Spence.
Mr. Wright with Mr. McCloskey.
Mr. Lehman with Mr. McKinney.
Mr. Leggett with Mr. Steelman.
Mr. Sisk with Mr. James V. Stanton.
Mr. Young of Alaska with Mr. Steiger of Arizona.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. CORMAN. Mr. Speaker, I move

that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8911) to amend title XVI of the Social Security Act to make needed improvements in the program of supplemental security income benefits.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. CORMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8911, with Mr. BERGLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. CORMAN) will be recognized for 1 hour, and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 1 hour.

The Chair recognizes the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, last September, the Public Assistance Chairman requested the Ways and Means Oversight Subcommittee to begin a "review in considerable depth of the Social Security Administration's arrangements for administration of the supplemental security income program." Citing serious problems in SSI error rates, delays in processing applications for SSI, and insufficient outreach to potentially eligible beneficiaries, it was recommended that the Oversight Subcommittee examine, in particular depth, problems in staffing, computer operations, and Social Security systems for providing the States with necessary data to help them in maintaining their medicaid and State supplementation rolls.

The Oversight Subcommittee has held eight hearings and has two more scheduled for the near future on the SSI program, and has also made one field visit to observe the SSI computer operations at Baltimore. Additional hearings are scheduled in New York City and Washington this September.

Further hearings will be scheduled as specific problems are identified. The Oversight Subcommittee issued an interim report to the Public Assistance Subcommittee on November 21, 1975. In addition, the SSA initiated SSI study group issued its report on January 26, 1976 and SSA has said it will adopt 69 of the study group's 71 administrative recommendations. Also, the GAO is currently involved in 12 major SSI studies. The staff of the Senate Finance Committee has also made a major study and will be issuing its report shortly.

In short, there has been the most intensive oversight and study of the problems of the SSI program. The program is being watched very closely.

As I wrote to Chairman CORMAN at the end of last November, H.R. 8911 should "not await a final report from the Subcommittee on Oversight" since many of the problems being studied by the Oversight Subcommittee are extremely long range, and particularly in the computer systems area, extend to management problems far outside of the SSI program.

Those portions of H.R. 8911 which will simplify the administration of the program will help reduce error rates and help improve SSI operations and, therefore, I strongly urge the passage of this legislation.

The Oversight Subcommittee believes that improvements are being made. While a great deal more needs to be done to improve the administration of the program and while everyone could wish that the rate of improvement was faster, it is obvious that top management at the Social Security Administration has made a vigorous commitment to improving the program. Continuing Oversight hearings will be held to insure that promises by Social Security management for specific changes in administrative practices are carried out in a prompt and vigorous manner.

The following types of changes are underway which the Oversight Subcommittee believes will help make the SSI program a quality operation:

STAFFING

In the first 2 years of the program, SSA relied in part on thousands of temporary or short-term employees to assist in processing the millions of SSI cases. The attrition or turnover rate among these nonpermanent workers averaged about 40 percent and resulted in wasted training, poor morale, and inaccurate service to SSI and more traditional Social Security beneficiaries. These short-term positions have been converted into permanent positions this summer. This should result in a restoration of a high quality, well-trained professional Social Security Administration work force which will be able to reduce the number of SSI errors.

In the past, each Social Security employee has been expected to "know" the full range of SSA programs—retirement, survivors, disability, medicare, and most recently, SSI. The Oversight Subcommittee found most district office employees and managers despaired of being able to master all the regulations and guidelines for all of these complex programs. As a result of our hearings, Social Security management is making a good faith effort to experiment with employee specialization in the larger urban offices and this will help reduce error levels in all SSA programs.

COMPUTERS

Many of the SSI problems were caused by the failure of Social Security computers to be in place and in operation at the start of the prcgram. That problem is pretty much solved. Of 24 computer systems needed to efficiently run the program, 20 of the systems, including all the major ones, are operating. The other four systems will be coming along in the next few months. The GAO will issue a report in a few days indicating the need to check SSI benefit lists against Veterans' Administration beneficiary lists. This will be done in the relatively near future.

In studying the SSI program, we uncovered a number of problems with Social Security computer operations. As a result of our criticisms, Social Security has three major consultant studies underway and has already taken one major employee action to increase employee efficiency by insuring better overlap of computer room work shifts.

CONCLUSION

Changes are being made. There has been a great deal of adjustment in top management at SSA; people have been removed for inefficiency and we hope that new personnel will bring new perspective and directions to the administration of the SSI program. SSA has made commitments to the Public Assistance Subcommittee concerning establishing goals for speeding the processing of SSI claims. According to testimony before Oversight, those goals are being met.

Finally, in the well-publicized matter of error rates, there has been a very gradual decline in the case error percentage rate. We should remember, however, that the very high case error rate of around 24 percent is often understood by the public to imply that 24 percent of the SSI payments are erroneous or are wasted. In fact, the dollar error rate is about 8 percent. Many of the case errors are not really dollar errors but technical errors which, when reported, convey the impression that the program is in extremely serious trouble—yet, which really cost the public nothing. While still unacceptable, the dollar error rate figure may be a more realistic measure of the program's problems. Social Security Commissioner James B. Cardwell has given us a timetable for error reduction, and I believe that the full resources of the Social Security Administration are committed to the meeting of that timetable.

The Oversight Subcommittee reported last November to the Public Assistance Subcommittee, that improvements are being made. In my opinion, our subsequent hearings have supported this statement and have helped insure that error reductions will be accomplished. I have been one of the strongest critics of the Social Security Administration, but I want to say now that H.R. 8911 does nothing to interfere with that goal, and, indeed, has many provisions which will help speed along the improvement in the program. I again urge the passage of this legislation.

Mr. VANDER JAGT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to rise in support of H.R. 8911 as reported to the House of Representatives by the Committee on Ways and Means. These proposed amendments to title XVI of the Social Security Act reflect substantial testimony received by the Subcommittee on Public Assistance in June 1975, in the course of the first major review of the new supplemental security income program. The

Ways and Means Committee carefully examined the subcommittee's proposals in 5 days of debate and markup on H.R. 8911.

Mr. Chairman, as of March 1976, SSI was serving 4,318,967 persons, of whom slightly more than 2 million were eligible on account of age, slightly less than 2 million due to disability, and about 75,000 because of blindness. Payments in the month of March for SSI totaled $493,935,000, of which the Federal share was $374,173,000.

Of the 20 substantive sections of the bill which the subcommittee reported to the full committee, the Department of Health, Education, and Welfare actively sought 7 in order to improve the administration of SSI. Other provisions had the support of the Department by virtue of their consistency with the underlying principles of SSI, despite the administrative complexities which they could create. Still other provisions were opposed by the administration and minority members, primarily as a result of their cost.

During the full committee markup, almost all of the elements to which the administration objected were stricken. The only provision in the bill before you to which the administration remains strongly opposed is section 9, which would extend the SSI program to Puerto Rico, Guam, and the Virgin Islands, a proposal which won House approval when the original SSI legislation was being considered. The Ways and Means Committee amended the subcommittee's language on this matter so as to delay its implementation until October 1977, thereby avoiding any impact upon the Federal budget in the coming year. It should be noted, however, that the committee report includes a forecasted cost of $160 million for this additional SSI coverage in fiscal 1978, and $180 million by 1981.

Mr. Chairman, I believe that the amendments to SSI which the Ways and Means Committee brings to the floor at this time generally are constructive, and that they will strengthen the administration of this important program, to the benefit of millions of deserving citizens. I urge my colleagues to support this legislation.

Mr. CORMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the bill, H.R. 8911, which would make some 15 changes in the supplemental security income program.

This bill is the most comprehensive one in the area of the supplemental security income program that the Congress has considered since the program was established by Public Law 92–603 in 1972. The program, as you may recall, became effective January 1, 1974. We have met a number of crisis situations as they came along but no comprehensive look at the program was taken until 10 days of public hearings before the Subcommittee on Public Assistance in June 1975. From those hearings and from the bills that had been introduced and the ideas that were contributed by Members and others, the Subcommittee on Public Assistance fashioned a bill. This bill was thoroughly considered in several days of markup sessions in the full Committee on Way and Means and what you have before you represents the results of that consideration.

A number of the changes that would be made by H.R. 8911 were designed to improve and simplfy the administration of the act, others are designed to correct inadequacies and serious gaps which experience has demonstrated exist in the way the program is operating.

I would like to describe to you the 15 changes that would be made by the bill.

The first of these related to initial payments to presumptively blind individuals. When the original SSI law was passed it was assumed that the determination of blindness could be made quickly and that it would not be necessary to provide more than 1 month in which to make such a determination. We did permit a period of up to 3 months in the case of disabled persons with disabilities other than blindness. However, experience has shown that in some instances it is difficult to obtain appointments to secure a determination of visual acuity and that steps to insure that other diseases of the eye are not present are sometimes not permitted within this time frame. We would accordingly extend the period in which a person may be presumed blind if the information he is able to supply supports that presumption. A blind person could be presumed disabled on the same basis as a person with any other disability.

The next change which we would make is related to blind or disabled children between the ages of 18 and 21. As the law stands, a child between 18 and 21 who is in school or taking a course or training is deemed to be a child up to age 21. However, if he does nothing he is treated as an adult at age 18. This has been criticized as a deterrent to further training for blind and disabled children. Obvious inequities arise from the provision which was tailored for the family assistance plan that never became law. We have corrected this by placing all persons over 18 on the same basis and treating them as adults. At the same time we have carefully preserved existing exemptions for persons who are taking training beyond the age of 18. Through this amendment we eliminate the attribution of family income to children who desire to take training after age 18.

The next provision of the bill is concerned with disabled individuals under age 13. Under existing law all disabled persons regardless of age are referred to vocational rehabilitation agencies for determination of disability and for whatever services may be appropriate. It has been pointed out that in the case of children under 13, this is not a logical referral. After consideration the committee concluded that the best way to handle these children who are not ready for vocational training was through the agencies responsible for maternal and child health and crippled children services. The Social Security Administration advised us that it would make referrals to any one agency but was not in a position to select the agency which would best serve the child's needs. After careful consideration and discussion with the Administration this selection was made, using the crippled children services primarily, which enjoy an excellent reputation. The bill would provide that the Federal Government would reimburse half of the costs of any services provided to the child.

The next provision of the bill deals with Outreach. There has been a great deal of complaint that the SSI program has left many persons who were eligible for its benefits without knowledge of the availability of the program. In consultation with the Administration we carefully selected only those things which we *think* are a necessary part of Outreach and which the Administration advises are consistent with its objectives.

Another provision of the bill deals with the modification of existing requirements for payments to be made to a third party, when anyone is disabled as a result of alcoholism or drug addiction. This has been a very difficult requirement for the administrative agency to meet. In highly populated metropolitan areas there has simply been no one who would undertake to serve as a third party payee for large numbers of the persons involved. Your committee's bill would accordingly amend the law to provide that if the chief medical officer of the institution or facility where the individual is undergoing treatment certifies that payments of benefits directly would be of significant therapeutic value, and that there is substantial reason to believe that he would not misuse or improperly spend the funds, the payments can be made directly. We believe that with these safeguards, direct payments can be made in some cases and that they may promote successful rehabilitation.

The next provision of the bill deals with persons living on the border of the United States in areas where hospitalization is normally obtained across the Canadian or Mexican border. We have adopted in the bill the same provisions that were included in the medicare program some years ago and which apparently are satisfactory.

The next provision of the bill deals with the exclusion of certain gifts and inheritances from income. Normally receipts of cash including gifts, inheritances, prizes and similar items are counted as income in the month that they are received and to the extent that they not expended in that month become resources in later months. This has produced problems when an inheritance or gift is not in the form of cash.

Inheritance of antique furniture from a relative might well disqualify the persons from benefits, if the value were considered as income in the month the furniture is received and yet a reasonable cash value might not be available. In such an instance the individual or spouse might be deprived of food because of his acquisition. The law makes provision for the orderly disposition of resources. Your

committee accordingly proposed to treat gifts or inheritances which are not readily convertible into cash only as resources and not as income in the month in which they are received. This is consistent with the treatment of other items under the program.

The next provision of the bill would extend SSI benefits to Puerto Rico, Guam and the Virgin Islands. When the House originally considered the SSI program, its bill H.R. 1, in the 92d Congress included provisions for these jurisdictions, with the benefit levels and other dollar figures adjusted in relation to per capita income of the jurisdiction as compared with the lowest per capita income State. The provision was not included by the Senate and was not accepted in conference. Accordingly, these jurisdictions provide benefits on a matching basis under a strictly limited dollar amount to their needy, aged, blind, and disabled. This seems obviously inequitable. The Social Security Administration advises that it will take at least a year to be prepared to administer SSI benefits in these jurisdictions. Accordingly, the bill would make the provision effective October 1, 1977.

The next provision of the bill would increase payments to presumptively eligible individuals. Existing law makes provision for an emergency payment of $100 were an individual appears to be eligible. However, experience has demonstrated that it is frequently several months before an initial payment is made. Your committee's bill would accordingly make several changes; it would increase the $100 amount to the amount for which the applicant is presumptively eligible, and increase the time limitation to a period of 90 days. However, because many applications are still slow to be acted upon the 90-day period would not be in effect until 1 year elapsed from the date of enactment. During that year presumptive eligibility payments could be made for as long as necessary. Beginning 12 months after date of enactment, the 3-month limitation would be applicable.

The next provision of the bill deals with emergency replacement of benefits payments. One of the most widespread complaints about the SSI program has been the number of persons who have been placed in desperate need by the failure of checks to arrive, due to their having been lost, stolen, or undelivered. Your committee understands the Treasury Department has expedited procedures and is in a position to issue duplicate checks in the period of 7 to 10 days. However, even this lapse of time can cause serious hardships for a needy individual. H.R. 8911, would accordingly propose to change the law to provide that the duplicate check could be sent to a State agency which had an agreement with the Secretary and which had issued an emergency payment to replace the lost, stolen, or undelivered check. The same provisions would apply to checks for less than the correct amount.

If the check itself is for a larger amount than the amount of emergency assistance which the State supplied the balance would have to be transmitted promptly to the SSI beneficiary. The procedure is similar to the provisions enacted for reimbursement of a State for interim assistance provided to an individual who has applied for SSI benefits but has not yet been approved as eligible to receive benefits.

The next provision deals with the evaluation of an individual's home for purposes of resources test. Existing law provides that a home is exempt so long as its value does not exceed a reasonable amount determined by the Secretary. H.R. 8911 would modify this, to the extent that the value considered could be either the current market value or the purchase price, whichever is lower. The Secretary of HEW would be left the responsibility for fixing a limit on value. However, the election of purchase price or market value solves the problems arising from inflation, increasing assessment and other changes which can deprive an individual of his SSI benefits. The amendment would also permit persons whose homes are located on ground that might be valuable for commercial purposes, or other reasons not associated with living there of an opportunity to continue to live there without the value of the land for other uses being taken into account.

The next provision of the bill deals with determination of mandatory minimum State supplementation in certain cases. Public Law 93–66, enacted in 1973, provides that an individual is guaranteed the same amount of income which he received in December 1973, if his own needs and situation are unchanged. This has resulted in higher payments than would have otherwise been received for a substantial number of beneficiaries.

H.R. 8911, would eliminate the requirement that the December 1973 level of income be guaranteed for the indefinite future, and would permit the Social Security Administration to stop maintaining such records when they are no longer beneficial to the individual. This might in a few instances prove detrimental because of future individual situations but it is believed that the administrative savings and simplification of the program well warrants a very small risk.

The next provision of the bill deals with the monthly computation for determination of SSI benefits. Under existing law benefits are determined for a calendar quarter—except the quarter in which an initial application is made—thus averaging income and expenses over a 3-month perod. In some instances this represents a hardship to the individual beneficiary as a substantial change in situation may occur in the last month of the calendar quarter and not receive more than partial recognition. The longer the time period involved, the less sensitive the program is to the fluctuation in individual need, the Department of Health, Education, and Welfare, advises that it is entirely feasible to make the determination of benefits for each month rather than for a 3-month period. This does not imply that the actual determination would be made each month but rather than the computation will be made for a monthly rather than a quarterly period. H.R. 8911 provides for a monthly computation.

The next provision deals with the eligibility of individuals in certain medical institutions. Under existing law, when an individual enters a hospital or other medical institution in which a major part of the bill is paid by the medicaid program, the benefit under SSI is reduced from its usual level to an amount not in excess of $25 per month. This is intended to take care of personal expenses since the costs of maintenance and medical care are provided through other programs. In the case of individuals having other income such as social security benefits no SSI is payable when the total or such other income exceeds $45 per month. It is been pointed out that an individual entering a hospital frequently has a household to be maintained if he is going to return to the community, expenses of shelter and other items do not stop because an individual is institutionalized for a relatively short period of time. The existing provision which makes only a small benefit available for any full month that the beneficiary is in a medical institution can defeat its purpose and make more difficult the subsequent return to community living. H.R. 8911, accordingly extends the period to "the period ending with the third consecutive month throughout which he is in such hospital or facility." During that 3-month period his eligibility and benefit amount would determined as though he continued to live outside the institution under the same conditions that existed prior to his entry. Since the purpose of the amendment is to make provision for needs which are ongoing during a short period of institutionalization, it is not the committee's intent that the larger payment for 3 months period be considered income for purposes of the medicaid program.

The final provision of the bill deals with the exclusion of certain assistance based on need. The original SSI law excluded from income assistance based on need, provided by the State or local public assistance agencies. A 1974 amendment extended this exclusion to support or maintenance provided by a nonprofit institution or by a charitable or philanthropic agency to an indivdual who is a resident of a nonprofit retirement home or similar institution. Considerable testimony was received and legislation has been introduced which would extend the exclusion of income for charitable organizations which was provided on the basis of need to individuals whether or not they live in institutions. H.R. 8911 contains such a provision. The bill would exclude such assistance furnished by any private entity described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such code. The provision would not be applicable to situations in which the institution or agency has an obligation to provide such assistance. Such situations would be primarily those where for a monetary or other consideration the

agency has an obligation to provide such assistance. Such situations would be primarily those where for a monetary or other consideration the agency has undertaken to provide for full or partial lifetime care.

The effective dates in the bill are in general either the second month after enactment or October 1, 1976, whichever is later. An exception is made in the case of the extension of SSI to Puerto Rico, Guam and the Virgin Islands, for which the effective date would be October 1, 1977.

The total cost of the bill as estimated by the Department of Health, Education, and Welfare and the Office of Management and Budget an estimate which the Congressional Budget Office concluded is reasonable totals $69.5 million for the fiscal year 1977. This is broken down into $2 million for the provisions on presumptively disability for the blind, $55 million, the bulk of the total cost, for the provision of health services to disabled children, $4 million for the changes in procedure for evaluating a home, and $8.5 million for the more liberal treatment of individuals entering hospitals or medical institutions. The amount would increase substantially in 1978 when the coverage for Puerto Rico, Guam, and the Virgin Islands would become effective. The estimated cost of providing benefits in these jurisdictions is $160 million bringing the total cost to $235 million for the fiscal year beginning October 1, 1977.

After H.R. 8911 had been reported from the Committee on Ways and Means, the committee adopted a committee amendment which was originally offered by Ms. KEYS. This amendment is part of the clean text of H.R. 15080 which I will shortly offer as a substitute for H.R. 8911 as reported. The amendment does three things.

First, it provides that publicly operated community residences with no more than 16 residents, shall not be deemed public institutions in which individuals are ineligible for Supplemental Security Income benefits. This would make provision for the mentally retarded and other groups who need supportive care to receive it in a group home of which there are now several hundred in the United States, some public and some private.

Second, the amendments would provide that State or local government subsidies to a home, public or private, would not result in the SSI benefits being reduced.

Finally, the amendment would permit States to establish standards for residential care institutions without including the nurses and other medical components, which are now required by law if SSI benefits are to be supplemented. The provision would require that States set standards and enforce them, publish their standards and any violations. It would not give the Federal Government any control over what those standards are. I believe this is a very desirable amendment to the present program.

The cost of this amendment is estimated at $16 million a year.

Mr. Chairman, I feel that H.R. 8911, makes many meritorious changes which will be of great assistance to the needy, aged, blind, and disabled who are beneficiaries under the SSI program and at the same time it would greatly simplify, the administration of the program. I believe that the bill warrants the enthusiastic support of the Members of this House.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I have been very disturbed by situations that have arisen in my State. I thought the gentleman said section 7 referred to this.

Mr. Chairman, a rise in one benefit results in either a diminution of another benefit or, in some cases, complete loss. For example, consider the effect on a program like medicaid, which is tied to an income level—does the gentleman understand what I am getting at?

Mr. CORMAN. I do, and the gentlewoman, I am sure, will be on the floor to support one of the Pickle amendments as it deals with that problem, as it relates to medicaid; and also support for the Fraser amendment which has to do with required pass-through of SSI cost-of-living increases.

Mrs. FENWICK. Will those two stop what I am talking about? I know of a case of a totally disabled man who is 48 years old, whose rise in other Federal benefits brought him $3 over the income level allowed for medicaid and so denied him medical assistance.

Mr. CORMAN. It will stop that in many instances in the case of social security benefit increases.

Mrs. FENWICK. Would not it be possible to say that any rise in any of these systems shall not disqualify a person who has been receiving benefits previous to this change? Would that not be a simple thing, across the board?

Mr. CORMAN. Yes. It would solve the problem as to increases in any kind of Federal benefits. We can and will try at least to prevent its happening in Federal programs in the future.

Mrs. FENWICK. I thank the gentleman.

Mr. CORMAN. If we get through the debate, I am going to ask unanimous consent first that the substitute be considered—which is provided in the rule. Then, I will ask unanimous consent that the bill be considered as read and open to amendment at any point. If this request is granted, I would notify Members that the amendments will be taken up in this order, which I have discussed with both the minority leadership and with the Members offering the amendments:

The first bloc of amendments will deal with housing. The first to be offered will be by the gentleman from California (Mr. KETCHUM). I sincerely hope it passes. If it fails, there will be an amendment offered by the gentleman from Virginia (Mr. HARRIS), which deals with the same subject matter, although I would suggest not in quite as good a manner as the Ketchum amendment.

The next amendment is a housing allowance which would provide that the Federal portion of SSI benefits would be increased up to $50 a month for those who are paying more than one-third of their income for housing. It is an expensive amendment, but it is one that is completely fair and humane. I recognize the budgetary problems it imposes on us, but I hope the Members listen to those who advocate that amendment and that we think about the people we are talking about and the bind they are in.

The next are two amendments to be offered by the gentleman from Texas (Mr. PICKLE), one having to do with a couple when one is in an institution, and the other having to do with what the gentlewoman from New Jersey talked about, relating to medicaid.

The next amendment is by the gentleman from Illinois (Mr. MIKVA). It has to do with the services for disabled children. It would reduce the amount of money for that program from $55 million to $18 million. I hope it is defeated.

I will offer an amendment which has to do with housing subsidies. The law is that people who are getting subsidized housing have it counted against their cash payments. We changed that law, effective October 1, but at least in California—and I suspect soon in other States—SSA is going back and review its records to see if it made a mistake by overpaying people getting subsidized rent. If they did, they will then cut their cash payments. That panics people living on very, very little, to hear that they will soon lose a substantial portion of the amount they are getting. I hope that amendment carries.

The last amendment, and one which will be offered on Monday, is by the gentleman from Minnesota (Mr. FRASER) and the gentleman from Massachusetts (Mr. O'NEILL). It is tremendously important. It is a fundamental decision for the House to make, and it is whether or not we will require States to pass through to the SSI recipients cost-of-living increases in SSI. It costs the Federal Government very little. It insures that when we determine that there should be a cost-of-living adjustment, that adjustment will be made for each SSI recipient in the Nation. I say it costs very little. There are still three hold-harmless States. There will be about a $1.9 million cost for the first year, to provide that that passthrough will cost the State in the hold-harmless category no additional money. The House should understand that in requiring the passthrough of Federal SSI increases it does not increase the costs to the States. It prohibits the States from reducing their costs by stopping the increase at the State Treasury instead of passing it on to the tables of the poor.

That is the order that I hope the amendments will be considered, and I have the assurance of those who will be offering them.

Mr. VANDER JAGT. Mr. Chairman, I yield 5 minutes to the very able member of the Subcommittee on Public Assistance, the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I think one of the problems with an SSI program, or any welfare program, as far as that is concerned, is the somewhat of a vacuum in which we operate, where we seldom really realize, when we are making changes, what that reaction is going to be on down the line.

One of the reasons that we operate in such a vacuum is that there are very few Members of any legislative body—and this one is no exception—that are interested enough in these kinds of problems to try to understand them, to try to make them workable, to try to insure that the dollars of the taxpayers spent for these programs reach the very people that they were designed to reach, rather than to get all scraped off at the top, as we so often do.

The bill which the Subcommittee on Public Assistance brings us is, I think, the very best effort that we could possibly come up with, given the circumstances.

The Committee on Ways and Means, as the Members know, meets Tuesdays, Wednesdays, Thursdays, and any other time that they can think of, even if it is just for practice; so that the subcommittees of the Committee on Ways and Means have a very, very miniscule amount of time in which to meet, and it is usually on Mondays and Fridays. Most of us know how popular those days are for meetings.

I really think that the Subcommittee on Public Assistance has done a rather outstanding job in attempting to solve some of the problems.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. Certainly, I yield to the gentleman from California.

Mr. CORMAN. Mr. Chairman, I rise primarily for the purpose of saying that the gentleman has called to the attention of this House and, I am sure, to the chairman of our committee, a very severe problem. It is a problem that the subcommittee has had to face. It has taken the patience of Job on the part of the members to try to find times and places to meet.

I wish at this point to thank all the Members for accommodating the subcommittee in that respect. The gentleman points up a problem that we need to solve in the next Congress.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman. This is not a problem just for the Subcommittee on Public Assistance, but it is a problem of other subcommittees of the Committee on Ways and Means as well. I think we all attempt to do our best to solve our problems.

There are some provisions of this bill that I would like personally to have seen remain in the bill. The budgetary restraints are, of course, to be considered, and there are going to be, as we know, and as the gentleman from California (Mr. CORMAN) has announced, some amendments offered to the bill, some of which I will support and some of which I will not. But those should be debated and our priorities established.

My good friend, the ranking minority member of the subcommittee, the gentleman from Michigan (Mr. VANDER JAGT), indicated that one of the provisions in this bill is opposed by the administration. That is the inclusion of Guam, the Virgin Islands, and Puerto Rico, bringing them under the SSI program. For myself and speaking only on behalf of myself, I support the inclusion of those territories. I need not remind the body that the individuals residing in those territories are U.S. citizens, just as are all the other people of these great United States.

I would further state that the numbers of people we are going to be dealing with is minor, when compared to the whole program. I have some problems with SSI as it applies to the disabled. I think we have gone far afield, not only in this bill but in the SSI program itself, in establishing just who the disabled are.

Most of us, prior to the federalization of this mentally retarded, the insane, and those individuals who had lost arms or legs or who were truly physically disabled. Some of us really did not feel that drug addicts or alcoholics should be part of this program, that they should be beneficiaries of other programs aside from this.

For that reason, it is difficult from time to time to get some of these bills passed.

Mr. Chairman, I would like to address myself briefly to some of the means test, and that is the subject which was brought up by the gentlewoman from New Jersey (Mrs. FENWICK). This is a real problem.

As a part of the means test, of course, assets are added. If an individual has a certain amount of money in the bank, say $1,500 as an example, which might represent his or her lifetime savings, he or she may not be eligible for SSI, and they must divest themselves of that small amount of money that they may have put away in the bank for burial expenses in order to be eligible. I share the gentlewoman's concern, and I hope we have an opportunity to address ourselves to that issue later.

The passthrough amendment which will be offered, I believe, on Monday, as was indicated, will be perhaps the most controversial of all the amendments that are offered to this bill. I happen to be a proponent of passthrough. Those of us who were on the House floor here a couple of weeks ago, when we discussed the California food stamp bill, should certainly be aware that that is what we were arguing about. We wanted to insure that any Federal increase be passed on to those individuals in three categories: The aged, the blind, and the disabled. There is going to be a rather substantial argument, I know, on the floor as to that particular amendment.

The amendment which I will offer has to do with housing disregard, which is also a part of the means test. We are talking primarily about aged people now. If the houses that those individuals reside in have achieved a value of $25,000 or if they are over that value, those individuals are not eligible for SSI. It really seems ridiculous to me, because the value of houses inflates just as everything else does. I am convinced that the elimination of the housing requirement as a part of the means test to establish eligibility will actually result in a rather substantial administrative cost savings to the Federal Government.

Mr. Chairman, I certainly hope that it will pass. I have indications from both the chairman of the subcommittee and the ranking minority member that that amendment will be adopted.

I really hope, Mr. Chairman, that before we are through, we will be able to get a few more Members on this floor, particularly those individuals who perpetually criticize the welfare system and do not know the first darn thing about it. No one has to overspend in a welfare program, but one does have to understand it. We are not doing a very good job in a lot of areas, and the reason we are not is that we continue to operate in the fashion to which I alluded earlier.

I thank you, Mr. Chairman, for the time. I hope that this bill will pass and that some of the amendments, at least, will be achieved.

Mr. VANDER JAGT. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman and Members of the body, the remarks of the gentleman from California (Mr. KETCHUM) and the remarks of the chairman reminded me all over again of just how very difficult it was to find the time and place to grapple with the very difficult and complex problems.

Mr. Chairman, I would like to add my word of commendation not only to the chairman for the great job he did, but to every member of the subcommittee and to the staff, both majority and minority. Because of the cooperation of everyone, I think the work product before this body is, as the gentleman from California said, as outstanding as could be expected under all of the circumstances.

Mr. Chairman, I have no further requests for time.

Mr. CORMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do want to express my appreciation to the gentleman from California (Mr. KETCHUM) because he knows considerably more about the operation of these programs than many of us do, because he had responsibilities for those areas in the State legislature in California.

When he mentioned Guam, I was reminded that I first met him there 32 years ago when his uniform was so muddy that I failed to recognize him.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I thank the very distinguished gentleman for yielding.

I have asked for this time for the purpose of asking two questions. Before I do so, I also wish to thank the chairman and the committee for addressing them-

selves to this work. I know it was not easy, and I compliment all of them.

The first question is: Will this result in any substantial reduction in the rolls of those presently on SSI?

Mr. CORMAN. No.

Mr. GONZALEZ. Second, I refer to section 1614 in the committee report, on page 30, headed, "Determination of Marital Relations," which reads:

In determining whether two individuals are husband and wife for the purposes of this title, appropriate State law shall be applied except that—

(1) if a man and woman have been determined to be husband and wife under section 216(h)(1) for purposes of title II they shall be considered . . .

Paragraph 2 reads:

If a man and woman are found to be holding themselves out to the community in which they reside as husband and wife, they shall be so considered for purposes of this title not withstanding any other provision of this section.

Does that do anything to any existing custom or practice on the Federal level with respect to our setting up common-law situations?

Mr. CORMAN. The section the gentleman is referring to is existing law.

Mr. GONZALEZ. Is there anything new or novel in the law?

Mr. CORMAN. There has been some confusion, I suspect. The fact is that in most States two single individuals get substantially more than a married couple. That has been long discussed, as to whether we are coercing the aged, the blind, and the disabled to live in sin. We hope we are not.

Mr. GONZALEZ. I am against sin.

Mr. CORMAN. I hope that the gentleman will not be too inclusive in his condemnation.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman.

Mrs. COLLINS of Illinois. Mr. Chairman, I urge my colleagues to support enactment of H.R. 8911, which would make a number of important revisions in the supplemental security income—SSI—program.

The SSI program is intended to provide a minimum income for eligible persons using nationally uniform eligibility requirements and benefit criteria.

The great number of requests for assistance from SSI recipients and would be recipients received in my office each week, however, has demonstrated repeatedly that this program is in critical need of the improvements that we are considering today.

As long ago as May 1974, I requested the Comptroller of the General Accounting Office to investigate the wide variation among States in the implementation of the presumptive disability provision which authorizes benefits to individuals presumed to be disabled, pending a formal determination of disability because, according to numerous reports from my constituents, the program failed to deliver assistance in an expeditious manner and variances in its application resulted in inequities to recipients. GAO verified these findings on October 16, 1975.

Thus, I am pleased that a number of the provisions offered in H.R. 8911 will correct serious deficiencies in the administration of the SSI program. For example, this bill affords to blind persons the same presumptive eligibility treatment now provided to the disabled and increases from $100 to an amount equal to 3 months' benefits, the maximum amount of cash advances which may be made to presumptively eligible persons who are faced with financial difficulty.

In addition, it directs the Secretary of the Department of Health, Education, and Welfare to conduct an outreach program to assure that all potentially eligible persons will be fully informed of the availability of such benefits and how to obtain them. Many, many people in my district and throughout this country who are disabled and, thus, restricted in their mobility will benefit from the enactment of this provision.

For these reasons, I urge my colleagues to cast their votes in a reaffirmation of the goals of this vital program.

Mr. DRINAN. Mr. Chairman, I rise in support of the Ketchum amendment which would exclude the value of a home as a countable resource in determining eligibility for the supplemental security income program.

Let us look realistically at the current requirement that a home be excluded as a resource only if its market value does not exceed $25,000. The fair market value of a home is based on the most recent assessed value placed on it by the State or locality which imposes a value-based property tax or levy. Massachusetts law requires a 100 percent evaluation for tax purposes. The $25,000 figure is unreasonable for the cities and towns of my congressional district which borders on the city of Boston and for most other areas of the state.

For example, in the city of Waltham, which has a population of 56,757, the average household income for 1975, assuming that income has kept pace with inflation, is in the range of $14,000 to $15,000. Yet the current assessed value of residential property is in the range of $40,000. We must also keep in mind that the income of older citizens and the disabled is going to be much lower.

I commend the committee for providing the alternative criteria of purchase cost since this will greatly assist the long-term homeowner. Yet there are those individuals who have purchased homes in relatively recent years and who have become disabled or whose economic security has been undermined by inflation and other factors. They will not benefit from the proposed modification of the home-value resource criteria.

We must also consider that a person may own a home with a market value of $25,000 and become eligible for SSI, whereas another person may have a mortgaged home valued at $28,000 but only have met up to $12,000 of the cost and is ineligible for benefits. Although the individual equity is well below the home value limit the individual is ineligible for participation in the program.

It would seem to me that fairness requires some consideration of the individual's equity in his or her home in determining eligibility for this means-tested program.

An equitable solution to these discrepancies would be to remove home value as a countable resource. The fact that some elderly and disabled citizens have been able to hold on to their homes should not serve as a basis for exclusion from the program. We all recognize that the cost of maintaining a home is of itself a financial strain even on a middle income budget. The escalating cost of property taxes, utilities and required upkeep services place a greater drain on the already burdened budget of low-income and fixed income individuals.

The SSI program is based on need and the means test takes into account all types of resources including a limitation of $1,500 in savings for an individual and $2,250 for a couple. A home that is owned by an elderly or disabled person does not stand as a sign of affluence but more likely as a result of austerity through years of sacrifice and hard work. Why should we require that this home become yet another obstacle to maintaining some measure of economic security in old age or in disability?

When the SSI program became effective in January of 1974, the Department of Health, Education, and Welfare distributed an introductory pamphlet called "Design For Dignity: Supplemental Security for the Aged, Blind and Disabled." The program is an important experiment which can have positive and profound influence on the Nation's thinking about the nagging question of whether a means-tested program can be designed and administered in ways which will enhance rather than negate the beneficiary's feeling of self-worth and capacity to function as a first-class citizen.

Homeownership has always reenforced a positive notion of self-worth and removing the home value resource criteria will move us closer to achieving a "design for dignity."

Mr. DE LUGO. Mr. Chairman, I rise today in strong support of the provision of the bill H.R. 15080 to extend the supplemental security income program to the Virgin Islands. This provision, existing originally as a separate bill which I introduced, will dramatically aid over 2,000 eligible elderly poor, blind, and handicapped Virgin Islanders cope with the harsh realities of their daily life.

Extending the SSI program to the Virgin Islands helps these people in two ways. First, and most important, it raises the level of their benefits from a current, pitiful $43 per month to a new level of $157.50 per month. This is increased to $236.60 per month for couples. In light of our high cost of living the current level of benefits is clearly unacceptable.

Second, this is a fully federalized program. Enactment of this measure will help take the load from the local government which, like all local governments, continually faces strong budgetary problems.

I strongly urge the Members of this House to vote in favor of this provision, and for H.R. 15080 as a whole. I believe that its passage will demonstrate that this Congress cares about its citizens, and is willing to act on this belief.

Mrs. MINK. Mr. Chairman, I wish to express my strong support for the amendment to H.R. 8911 when it is offered by my colleagues, Mr. O'NEILL and Mr. FRASER. This amendment, which requires Federal cost-of-living increases in the supplemental security income program to be "passed through" to SSI recipients, would assure that congressional intent regarding the nature of the SSI program will effectively to carried out.

Congress has been sensitive to the needs of those on fixed incomes, realizing that these Americans whose primary income derives from constant social security or supplemental security income benefits are the first victims of inflation. Those who can least afford it are hit most severely by rising costs. Without Federal action these recipients have no recourse, no means of coping with inflation.

To maintain viable social welfare programs, Congress has instituted annual cost-of-living increases. It is a catch-up solution, one that sadly still leaves many on the borderline of poverty. But we have formulated a policy and a commitment to protect these most vulerable of our citizens from the very real ravages of what has been, in virtually all recent years, double digit inflation.

The difficulty SSI recipients have encountered, however, is that they do not necessarily realize the increases we have promised and indeed expended a great deal of money to confer. In those States that "supplement" the Federal SSI payments with a payment of their own, Federal cost-of-living increases are optionally passed on to the recipients and often are either partially or totally swallowed up by State governments and never passed on to the recipients themselves.

The result of this option is the frequent denial of congressionally approved benefits for those for which it was intended. Surely if Congress wanted a program of reduced State praticipation in the SSI program it would have legislated to that end. Our explicit concern, however, has been with the impact of escalating costs upon individuals' scant, fixed benefits.

Argument is made that these groups should lobby their State governments for a full "pass through" of Federal cost-of-living increases. But when you are discussing SSI recipients, you are talking about the aged, the blind, and the disabled, groups which include some of the most politically as well as economically disadvantaged groups in the Nation. These are the people least likely to rally on the steps of the State capitol. They are among the most likely to have their urgent human needs ignored—particularly when it can be done as readily as States do it now, simply by pocketing Federal increases.

My own State of Hawaii has made a strong effort to pass through Federal increases under particularly adverse circumstances. As one of the three remaining "hold-harmless" States, Hawaii has its Federal cost-of-living increases deducted from the Federal share of protected payments so that Hawaii in effect pays for the cost-of-living increases that it passes on to its SSI recipients.

The O'Neill-Fraser amendment ends this inequity by freezing the level of Federal protected payments for "hold-harmless" States, thus insuring that Hawaii, Massachusetts, and Wisconsin are in a position to "pass through" Federal cost-of-living increases at no cost to themselves. The effect of this aspect of the O'Neill-Fraser amendment is simply to establish parity among all the States.

I urge my colleagues to give the O'Neill-Fraser amendment your vigorous support. By mandating the "pass-through" of Federal cost-of-living increases, we will not be requiring the expenditure of any additional funds by the State. We will be insuring that congressional intent is carried out and that the priorities of human dignity and individual needs in the SSI program are reaffirmed and maintained.

Mr. ROSTENKOWSKI. Mr. Chairman, I support H.R. 8911, a bill making many important and needed changes in the supplemental security income—SSI—program.

The supplemental security income program was enacted by the Congress in 1972 to replace the grant-in-aid public assistance programs then in existence for needy aged, blind, and disabled Americans. The new SSI program provides for a federally administered and financed program with uniform eligibility and benefit payments, a much-needed improvement over the multiplicity of requirements and benefit levels which existed under the prior State-operated programs.

The SSI program became effective in 1974 and while many individual crises have been met by legislation both immediately prior to and since implementation, there had been no complete review of the program until the hearings held in June 1975 which resulted in this legislation. A comprehensive examination of the program by the Committee on Ways and Means has demonstrated that after a year and a half's experience with the new program, there are a number of changes and improvements which can and should be made.

One of the major problems identified in the supplemental security income program is that the needs of disabled children intended to be served by the SSI program are not being adequately met. The bill, therefore, mandates an outreach program specifically aimed at locating disabled children who are entitled to supplemental security income payments and removes certain disincentives for disabled children between the ages of 18 and 21 to attend school.

The committee has also found that there are continuing problems in providing prompt services to SSI applicants and recipients. The bill thus provides various ways to alleviate this situation, including prompt emergency measures to facilitate the replacement of lost or stolen checks and improvements in the program providing cash advance allowances for those presumed to be eligible for SSI benefits.

H.R. 8911 also would remove the current provision in the SSI law prohibiting SSI assisstance to individuals residing in a public institution which a publicly operated community residence serving 16 or fewer persons. Currently, for example, a private, nonprofit organization may operate a group home for the mentally retarded as an alternative living arrangement compared to a large State institution or a nursing home and residents are not prohibited from being eligible for SSI. However, if the group home is owned or controlled by a governmental entity, the residents would for that reason alone be ineligible for SSI.

The bill would not only correct many of the inequities that currently exist in the program, but would streamline its administrative procedures to increase its efficiency.

I urge my colleagues to join me in supporting this much needed legislation.

Mr. GILMAN. Mr. Chairman, I rise in support of H.R. 8911, the Supplemental Security Income Amendments of 1976, providing benefits to the needy aged, the blind, and the disabled—nearly 4.3 million citizens, 2.3 million needy aged, 1.9 million disabled, and 75,000 blind—at a time when these benefits are urgently needed in order to keep pace with the burdening Federal, State, and local taxes, and the escalating costs of living.

H.R. 8911, representing the most comprehensive review of the SSI program since the program came into existence on January 1, 1974, provides 15 changes that remove certain inequities in the present SSI program. Briefly stated, they are:

First. A presumptively blind person would receive initial SSI benefits for up to 3 months prior to the actual determination of blindness, thereby granting such an individual the same right to initial SSI benefits as any other presumptively disabled individual. Experience has shown that the current 1-month time period for an SSI applicant to obtain a finding that blindness exists is an insufficient amount of time to make such a determination. The 1-month time period would be extended to 3 months for purposes of obtaining a determination of disability and for providing initial SSI benefits to the presumptively disabled applicant.

Second. Blind or disabled individuals over 18 years of age are regarded as adults for purposes of receiving SSI benefits, and they may attend school without jeopardizing their SSI benefits. Under the current SSI program, a blind or disabled individual between the age of 18 and 21 who remains at home is regarded as an adult and is eligible for SSI benefits, while a blind or disabled individual in the same age bracket who attends school is regarded as a child, "frequently," as the report accompanying H.R. 8911 stated, "rendering him ineligible for any SSI benefit or eligible for a benefit or substantially smaller amount than the child who is not taking some form of training."

Third. Blind or disabled children under age 13 would be referred to appropriate State health services. The Mikva amendment, which I supported and which passed the House on August 26, changes the funding for children's vocational services from 50

percent for children under age 13 to 100 percent for children under age 6.

Fourth. The HEW Secretary would be directed to conduct outreach programs to inform potential SSI recipients of the availability of SSI benefits. The Secretary would report to the President and to Congress within 6 months of the bill's enactment on the progress of the program with his recommendations to improve the program's effectiveness.

Fifth. If the chief medical officer at a treatment center for drug addicts or alcoholics certifies that SSI benefit payments would be therapeutically valuable to the individual, with no reason to believe that the recipient of the SSI benefits would improperly spend the funds, then SSI benefit payments would be paid directly to the individual rather than to a third party as required under the present law.

Sixth. SSI benefit payments would be paid to eligible individuals receiving inpatient hospital care outside the United States. Under the present law, eligible individuals, who, for example, receive hospital care in Canada or Mexico, are prohibited from receiving SSI benefit payments.

Seventh. Certain gifts and inheritances which are not readily convertible into cash are excluded from income, thereby possibly disqualifying an individual from receiving SSI benefits.

Eighth. SSI benefits would be extended to Puerto Rico, Guam, and the Virgin Islands, effective October 1, 1977.

Ninth. The $100 SSI cash advance to a presumptively eligible individual confronted with a financial emergency would be increased to the maximum of 3-months benefits for which the individual would be presumptively entitled. However, since there is no assurance that the determination of the individual's eligibility would be made within 3 months, the 3-month limitation on authorized cash advances for financial emergencies would be suspended for 1 year after the enactment of H.R. 8911.

Tenth. A State may be reimbursed for furnishing emergency assistance to an individual entitled to SSI benefits confronted with a financial emergency as a result of a lost, stolen, undelivered, or erroneous SSI benefit payment.

Eleventh. Under the present law, an otherwise eligible SSI recipient whose home was valued at more than $25,000 would be denied SSI benefits. The Ketchum amendment, which passed the House on August 26, struck this provision, thereby disregarding hereafter the value of an individual's home in determining SSI benefits.

Twelfth. Mandatory minimum State supplementary payments corresponding to the December 1973, levels would be terminated in certain instances where the mandatory minimum State assistance is no longer applicable.

Thirteenth. Determination of SSI benefits would be on a monthly rather than on a quarterly basis.

Fourteenth. An individual entering a hospital or other medical institution in which the expenses are paid by the medicaid program would not receive a reduction in SSI benefits but would receive full SSI benefits for 3 months of residency in such an institution. Reduction in SSI benefits would commence during the fourth month of institutionalization.

Fifteenth. Any assistance based on need and furnished by a nonprofit tax-exempt organization would not be counted as income in determining the recipient's eligibility for SSI benefits or the amount of the benefits.

Mr. Chairman, these provisions, together with the amendments that passed the House on August 26, are urgently needed in order to simplify the administration of the SSI program and to correct inequities in the program.

The need for this legislation to protect the 4.3 million needy aged, blind, and disabled poor is obvious. These are citizens whose eligibility to receive SSI benefits is determined on need—whose savings are limited to $1,500—for whom this measure may mean the difference between survival and starvation. I have been informed by the Social Security Administration that in 1975, 403,226 needy individuals in New York State received Federal-State SSI benefits amounting to $686.1 million. For these citizens, these funds meant the purchasing of food and the paying of rent or winter fuel and the meeting of other economic necessities for survival.

Mr. Chairman, in the interest of continuing the SSI program and of providing urgently needed assistance to these citizens, I urge my colleagues to support this worthy legislation.

Mr. CORMAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the text of the bill H.R. 15080 as an original bill for the purpose of amendment. No amendments are in order to the bill or to the amendment in the nature of a substitute except amendments offered by direction of the Committee on Ways and Means and germane amendments printed in the CONGRESSIONAL RECORD at least 2 legislative days prior to the consideration of said bill for amendment, but said amendments shall not be subject to amendment except those offered by direction of the Committee on Ways and Means and pro forma amendments.

The Clerk read as follows:

That this Act may be cited as the "Supplemental Security Income Amendments of 1976".

AUTHORIZATION OF INITIAL PAYMENTS TO PRESUMPTIVELY BLIND INDIVIDUALS

SEC. 2. Section 1631(a)(4)(B) of the Social Security Act is amended—

(1) by inserting "or blindness" immediately after "disability" each time it appears; and

(2) by inserting "or blind" immediately after "disabled" each time it appears.

ATTRIBUTION OF PARENTS' INCOME AND RESOURCES TO CHILDREN

SEC. 3. (a) Section 1614(c) of the Social Security Act is repealed.

(b)(1) Section 1612(b) of such Act is amended—

(A) by striking out "a child who" in clause (1) and inserting in lieu thereof "under the age of 22 and";

(B) by striking out "a child" in clause (9) and inserting in lieu thereof "under age 18"; and

(C) by striking out "a child who is not an eligible individual" in clause (10) and inserting in lieu thereof "an individual who is not an eligible individual or eligible spouse".

(2) Section 1614(a)(3)(A) of such Act is amended by striking out "a child" and inserting in lieu thereof "an individual".

(3) Section 1614(f)(2) of such Act is amended by striking out "a child under age 21" and inserting in lieu thereof "under age 18".

REFERRAL OF DISABLED INDIVIDUALS UNDER AGE 13 FOR APPROPRIATE HEALTH SERVICES

SEC. 4. (a) Section 1615(a)(1) of the Social Security Act is amended by striking out "has not attained age 65" and inserting in lieu thereof "is over 12 and under 65 years of age".

(b) Section 1615 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) In the case of any blind or disabled individual who—

"(1) has not attained age 13, and

"(2) is receiving benefits (or with respect to whom benefits are paid) under this title, the Secretary shall make provisions for the referral of such individual to the appropriate State agency administering or participating in the State plan for maternal and child health services and services for crippled children approved under title V; and the Secretary is authorized to pay to the State agency administering or supervising the administration of such State plan 50 percent of the costs incurred in the provision of services to individuals so referred.".

OUTREACH PROGRAM

SEC. 5. Part B of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"OUTREACH PROGRAM

"SEC. 1635. (a) The Secretary shall carry out a program designed specifically to assure that all individuals who are or may become eligible for supplemental security income benefits under this title will be fully informed of the availability and nature of such benefits and of the steps to be taken in obtaining them.

"(b) The Secretary is authorized to carry out his functions under this section through the personnel and facilities of the Department of Health, Education, and Welfare or to enter into appropriate contracts or arrangements with State and local agencies and private nonprofit organizations for the performance of such functions, or both, with the objective in any case of assuring the widest and most effective dissemination of the information described in subsection (a).

"(c) The Secretary *shall report* to the President and the Congress no later than six months after the date of the enactment of this section on the progress and accomplishments of the program under this section, including any recommendations he may have for improving its effectiveness.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out this section.".

MODIFICATION OF REQUIREMENT FOR THIRD-PARTY PAYEE

SEC. 6. The second sentence of section 1631(a)(2) of the Social Security Act is amended by inserting before the period at the end thereof the following: ", unless, and only so long as, the Secretary determines, upon the certification of the chief medical officer of the institution or facility where such individual or spouse is undergoing treatment as required by such section, that the payment of benefits directly to such individual or spouse would be of significant therapeutic value to him and that there is substantial reason to believe that he would not misuse or improperly spend the funds involved".

CONTINUATION OF BENEFITS FOR INDIVIDUALS HOSPITALIZED OUTSIDE THE UNITED STATES IN CERTAIN CASES

SEC. 7. The second sentence of section 1611(f) is amended by striking out the comma after "preceding sentence" and inserting in lieu thereof "(1)", and by inserting before the period at the end thereof the following: ", and (2) an individual shall be treated as being inside the United States during any period of absence from the United States which is demonstrated to the satisfaction of the Secretary to be necessary in order to obtain inpatient hospital services, as defined in title XVIII for purposes of section 1814(f), if (A) the requirements of subparagraphs (A) and (B) of section 1814(f)(1) are met, or (B) the inpatient hospital services are emergency services and the requirements of subparagraphs (A) and (B) of section 1814(f)(2) are met".

EXCLUSION OF CERTAIN GIFTS AND INHERITANCES FROM INCOME

SEC. 8. Section 1612(a)(2)(E) of the Social Security Act is amended by inserting ", except that the Secretary may by regulation provide that gifts and inheritances which are not readily convertible into cash are not income" immediately after "inheritances".

EXTENSION OF SUPPLEMENTAL SECURITY INCOME BENEFITS PROGRAM TO PUERTO RICO, GUAM, AND THE VIRGIN ISLANDS

SEC. 9. (a)(1) Section 1614(e) of the Social Security Act is amended by striking out "and the District of Columbia" and inserting in lieu thereof ", the District of Columbia, Puerto Rico, the Virgin Islands, and Guam".

(2) Section 1101(a)(1) of such Act is amended—

(A) by inserting "XVI," after "XI," and

(B) by striking out the last sentence (as added by section 18(z-2)(1)(A)(ii) of Public Law 93-233).

(3) Section 303(b) of the Social Security Amendments of 1972 is repealed.

(b) Section 1108 of such Act is amended by adding at the end thereof the following new subsection:

"(e)(1) In applying the provisions of—

"(A) subsections (a), (b), and (e)(1) of section 1611,

"(B) subsections (a)(2)(D), (b)(2), and (b)(3) of section 1612,

"(C) subsection (a) of section 1613,

"(D) section 1617, and

"(E) section 211(a)(1)(A) of Public Law 93-66,

the dollar amounts to be used shall, instead of the figures specified (or referred to) in such provisions, be dollar amounts bearing the same ratio to the figures so specified as the per capita incomes of Puerto Rico, the Virgin Islands, and Guam, respectively, bear to the per capita income of that one of the States which has the lowest per capita income; except that in no case may the amounts so used exceed the figures so specified.

"(2)(A) The amounts to be used under such sections in Puerto Rico, the Virgin Islands, and Guam shall be promulgated by the Secretary between October 1 and November 30 of each even-numbered year, on the basis of the average per capita income of each State for the most recent calendar year for which satisfactory data are available from the Department of Commerce. Such promulgation shall be effective for each of the two fiscal years in the period beginning October 1 next succeeding such promulgation.

"(B) The term 'State', for purposes of subparagraph (A) only, means the fifty States and the District of Columbia.

"(3) If the amounts which would otherwise be promulgated for any fiscal year for any of the three States referred to in paragraph (1) would be lower than the amounts promulgated for such State for the immediately preceding period, the amounts for such fiscal year shall be increased to the extent of the difference; and the amounts so increased shall be the amounts promulgated for such year.".

(c) The amendments made by this section (except subsection (a)(3)) shall apply with respect to supplemental security income benefits payable under title XVI of the Social Security Act for months after September 1977. Subsection (a)(3) shall become effective October 1, 1977.

INCREASED PAYMENTS FOR PRESUMPTIVELY ELIGIBLE INDIVIDUALS

SEC. 10. (a) Section 1631(a)(4)(A) of the Social Security Act is amended by striking out "a cash advance against such benefits in an amount not exceeding $100" and inserting in lieu thereof "one or more cash advances against such benefits, the aggregate amount of which may not exceed the aggregate amount of the benefits for which he is presumptively eligible under this title, including any federally administered State supplementary payments, for the first three months of such presumptive eligibility".

(b) The three-month limitation on the period of presumptive eligibility against which cash advances may be paid under section 1631(a)(4)(A) of the Social Security Act, as amended by subsection (a) of this section, and the three-month limitation on the period for which benefits to presumptively blind and presumptively disabled individuals may be paid under section 1631(a)(4)(B) of such Act, as amended by section 2 of this Act, shall not be applicable during the period beginning with the date of the enactment of this Act (or beginning with October 1, 1976, if later) and ending with the close of the twelfth month after the month in which this Act is enacted (or at the close of September 1977, if later).

EMERGENCY REPLACEMENT OF BENEFIT PAYMENTS

SEC. 11. Section 1631 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Reimbursement to States for Emergency Replacement of Supplemental Security Income Checks

"(h)(1) Notwithstanding subsection (d)(1) as it relates to section 207 and subsection (b) as it relates to the payment of less than the correct amount of benefits, the Secretary may, upon written authorization by an individual, withhold benefits due with respect to that individual and may pay to a State (or a political subdivision thereof if agreed to by the Secretary and the State) from the benefits withheld an amount sufficient to reimburse the State (or political subdivision) for emergency assistance (as defined in paragraph (3)) furnished on behalf of the individual by the State (or political subdivision).

"(2) For purposes of this subsection, the term 'benefits' with respect to any individual means supplemental security income benefits under this title, and any State supplementary payments under section 1616 or under section 212 of Public Law 93-66 which the Secretary makes on behalf of a State (or political subdivision thereof) and which the Secretary has determined to be due with respect to the individual.

"(3) For purposes of this subsection, the term 'emergency assistance' with respect to any individual means assistance financed from State or local funds and furnished—

"(A) in replacement of any lost, stolen, or undelivered check issued to or for such individual in payment of benefits as defined in paragraph (2), or

"(B) in supplementing to the correct amount any check so issued which is determined to be in an amount less than that for which the individual is eligible,

where the individual to whom such check was issued is faced with financial emergency as a result of such loss, theft, nondelivery, or erroneous amount.

"(4) In order for a State to receive reimbursement under the provisions of paragraph (1), the State shall have in effect an agreement with the Secretary which shall provide—

"(A) that if the Secretary makes payment to the State (or a political subdivision of the State as provided for under the agreement) in reimbursement for emergency assistance as defined in paragraph (3) for any individual in an amount greater than the reimbursable amount authorized by paragraph (1), the State (or political subdivision) shall pay to the individual the balance of such payment in excess of the reimbursable amount as expeditiously as possible, but in any event within ten working days or a shorter period specified in the agreement;

"(B) that if the State (or political subdivision) makes a payment to an individual as emergency assistance as defined in paragraph (3) and any check referred to in paragraph (3)(A) is cashed by the individual to or for whom it was issued or by any other person, the State (or political subdivision) will assist the Secretary in recovering any resulting duplicate payment; and

"(C) that the State will comply with such other rules as the Secretary finds necessary to achieve the efficient and effective administration of this subsection and to carry out the purposes of the program established by this title, including protection of hearing rights for any individual aggrieved by action taken by the State (or political subdivision) pursuant to this subsection.

"(5) The provisions of subsection (c) shall not be applicable to any disagreement concerning payment by the Secretary to a State pursuant to the preceding provisions of this subsection or the amount retained by the State (or political subdivision).".

VALUATION OF INDIVIDUAL'S HOME FOR PURPOSES OF RESOURCES TEST

SEC. 12. Section 1613(a) of the Social Security Act is amended—

(1) by inserting "(within the meaning of the last sentence of this subsection)" after "value" in paragraph (1); and

(2) by adding at the end thereof the following new sentence: "For purposes of paragraph (1), the term 'value' with respect to an individual's home means (A) its current market value, (B) the price for which it was purchased by such individual (or his spouse), or (C) if it was acquired by such individual (or spouse) otherwise than by purchase, its appraised value at the time of such acquisition, whichever is least.".

TERMINATION OF MANDATORY MINIMUM STATE SUPPLEMENTATION IN CERTAIN CASES

SEC. 13. Effective October 1, 1976, section 212(a)(2) of Public Law 93-66 is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the semicolon at the end of subparagraph (D) and inserting in lieu thereof a comma; and

(3) by striking out the matter that follows subparagraph (D) and inserting in lieu thereof the following:

"(E) the first month after September 1976, for which such individual is not a resident of the State to which the provision of subparagraph (B) applies,

"(F) the first month after September 1976, for which the amount of such individual's title XVI benefit plus other income (as determined under paragraph (3)(C)) is equal to or exceeds the amount of such individual's December 1973 income (as determined under paragraph (3)(B)) as reduced by the amount, if any, by which the amount of the supplementary payment payable under

the agreement entered into under this subsection to such individual has been reduced under the provisions of paragraph (3)(D)),

"(G) the first month after September 1976, for which such individual is ineligible to receive supplemental security income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(e)(1)(A) (except in the case of an individual who is in a public institution which is a hospital, extended care facility, nursing home, or intermediate care facility), 1611(e)(2) or (3), 1611(f), of 1615(c) or such Act, or

"(H) the first month after September 1976, for which such individual is ineligible to receive supplemental income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(a)(1)(B) or (2)(B) of such Act;

except that no individual shall be eligible to receive such supplementary payment for any month, if, for such month, such individual is ineligible to receive supplemental security income benefits under title XVI of the Social Security Act by reason of the provisions of section 1611(e)(1)(A) of such Act as they apply in the case of an individual who is in a public institution which is a hospital, extended care facility, nursing home, or intermediate care facility.".

MONTHLY COMPUTATION PERIOD FOR DETERMINATION OF SUPPLEMENTAL SECURITY INCOME BENEFITS

SEC. 14. (a)(1) The first sentence of section 1611(c)(1) of the Social Security Act is amended to read as follows: "An individual's eligibility for benefits under this title and the amount of such benefits shall be determined for each month.".

(2) The second sentence of section 1611(c)(1) of such Act is amended by striking out "quarter" and inserting in lieu thereof "month".

(b)(1) Section 1612(b)(3)(A) of such Act is amended—

(A) by striking out "quarter" and "calendar quarter" wherever they appear and inserting in lieu thereof "month"; and

(B) by striking out "$60" and inserting in lieu thereof "$20".

(2) Section 1612(b)(3)(B) of such Act is amended—

(A) by striking out "quarter" and "calendar quarter" wherever they appear and inserting in lieu thereof "month"; and

(B) by striking out "$30" and inserting in lieu thereof "$10".

(c) The amendments made by this section shall be effective on such date as the Secretary of Health, Education, and Welfare determines to be administratively feasible, but not later than the beginning of the fifth calendar quarter after the calendar quarter in which this Act is enacted.

ELIGIBILITY OF INDIVIDUALS IN CERTAIN MEDICAL INSTITUTIONS

SEC. 15. (a) Section 1611(e)(1)(A) of the Social Security Act is amended by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)".

(b) Section 1611e()(1)(B) of such Act is amended to read as follows:

"(B) Except as set forth in subparagraph (C), in any case where an eligible individual or eligible spouse is in a hospital, extended care facility, nursing home, or intermediate care facility, such individual's benefit for the period ending with the third consecutive month throughout which he is in such hospital, home, or facility shall be determined as though he were continuing to reside outside the institution under the same conditions as before he entered the institution.".

(c) Section 1611(e)(1) of such Act is further amended by adding after subparagraph (B), as amended by subsection (b) of this section, the following new subparagraph:

"(C) In any case where an eligible individual or eligible spouse is throughout any month in a hospital, extended care facility, nursing home, or intermediate care facility, receiving payments (with respect to such individual or spouse) under a State plan approved under title XIX, and such month is either—

"(i) the first month in any period of eligibility under this title based on an application filed in or before such month, or a month in a continuous period of months beginning with such first month, throughout which such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period), or

"(ii) the fourth consecutive month throughout which, or a month in a continuous period beginning with such fourth consecutive month throughout which, such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period), the benefit for such individual for such month shall be payable—

"(iii) at a rate not in excess of $300 per year (reduced by the amount of any income not excluded pursuant to section 1612(b)) in the case of an individual who does not have an eligible spouse;

"(iv) at a rate not in excess of the sum of the applicable rate specified in subsection (b)(1) and the rate of $300 per year (reduced by the amount of any income not excluded pursuant to section 1612(b)) in the case of an individual who has an eligible spouse, if only one of them is in such a hospital, home, or facility throughout such month; and

"(v) at a rate not in excess of $600 per year (reduced by the amount of any income not excluded pursuant to section 1612(b)) in the case of an individual who has an eligible spouse, if both of them are in such a hospital, home, or facility throughout such month.".

EXCLUSION FROM INCOME OR CERTAIN ASSISTANCE BASED ON NEED

SEC. 16. (a) Section 1612(b) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (9);

(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (10) the following new paragraph:

"(11) any assistance which is based on need and is furnished by any private entity described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code unless such assistance is furnished in fulfillment of an obligation described in subsection (a)(2)(A)(ii).".

(b) The amendments made by subsection (a) shall become effective on the first day of the second calendar quarter beginning after the date of the enactment of this Act.

ELIGIBILITY OF INDIVIDUALS IN CERTAIN INSTITUTONS

SEC. 17. (a) Section 1611(e)(1) of the Social Security Act (as amended by section 15 of this Act) is amended—

(1) by striking out "subparagraphs (B) and (C)" in subparagraph (A) and inserting in lieu thereof "subparagraphs (B), (C), and (D)"; and

(2) by adding at the end thereof the following new subparagraph:

"(D) As used in subparagraph (A), the term 'public institution' does not include a publicly operated community residence which serves no more than 16 residents.".

(b) Section 1612(b)(6) of such Act is amended by striking out "assistance described in section 1616(a) which" and inserting in lieu thereof "'assistance, furnished to or on behalf of such individual (and spouse), which".

(c)(1) Section 1616(e) of such Act is repealed.

(2) Effective October 1, 1977, section 1616 of such Act is amended by adding after subsection (d) the following new subsection:

"(e)(1) Each State shall establish or designate one or more State or local authorities which shall establish, maintain, and insure the enforcement of standards for any category of institutions, foster homes, or group living arrangements in which (as determined by the State) a significant number of recipients of supplemental security income benefits is residing or is likely to reside. Such standards shall be appropriate to the needs of such recipients and the character of the facilities involved, and shall govern such matters as admission policies, safety, sanitation, and protection of civil rights.

"(2) Each State shall annually make available for public review, as a part of the services program planning procedures established pursuant to section 2004 of this Act, a summary of the standards established pursuant to paragraph (1), and shall make available to any interested individual a copy of such standards, along with the procedures available in the State to insure the enforcement of such standards and a list of any waivers of such standards and any violations of such standards which have come to the attention of the authority responsible for their enforcement.

"(3) Each State shall certify annually to the Secretary that it is in compliance with the requirements of this subsection.".

SEC. 18. Except as otherwise specifically provided in this Act, the amendments made by this Act shall apply with respect to months after the month following the month in which this Act is enacted, or with respect to months after September 1976, whichever is later.

Mr. CORMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. KETCHUM

Mr. KETCHUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KETCHUM: Strike out section 12 (appearing on page 12, lines 9 through 23, of H.R. 15080) and insert in lieu thereof the following:

VALUATION OF INDIVIDUAL'S HOME FOR PURPOSES OF RESOURCES TEST

SEC. 12. Section 1613(a)(1) of the Social Security Act is amended by striking out ", to the extent that its value does not exceed such amount as the Secretary determines to be reasonable".

Mr. KETCHUM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KETCHUM. Mr. Chairman and Members of the committee, I will be very brief on this amendment. This is the "housing disregard" amendment.

The reason I am offering the amendment is that, in my opinion, a rather substantial amount of money is being spent administratively in establishing a means test relative to the value of a home that individuals receiving SSI or attempting to receive SSI are involved in.

What really occurs is that an individual some 30 years ago, or two individuals, purchased a home for $7,500. Over the period of time—and certainly those of us who reside in the environs of the District of Columbia know what the value of real estate has achieved over a relatively very short period of time through inflation that it makes the value of the property so high that these individuals are then not eligible for SSI. As I say, they may have paid $7,500 but that house now is worth perhaps $50,000.

The whole point is that some individuals in opposition to this amendment say that in a contemporary situation someone could reside in the Hearst castle in California. That is patently ridiculous because the taxes alone, in order to be able to pay those taxes, an individual would have to have an income far in excess of the requirements for eligibility for SSI.

Mr. Chairman, this is a very simple amendment.

It was kind of interesting to me, Mr. Chairman, that when we held hearings that HEW estimated that the additional costs would be between $5 million and $7 million if this amendment were accepted.

Let me point out that HEW conducted a study in 1975. It is not totally completed, but this much they know, they found that there were only 600 people who were denied SSI due to valuation of their homes. I cannot conceive how this would cost $5 million. I know it would not.

Let me say in relation to that that just a matter of a few days ago they admitted that there may be administrative savings of $1.5 million.

This I say is exactly what we are really attempting to do with this particular amendment. It is ridiculous to force aged individuals, in order to qualify, to perform a fraudulent act, maybe not fraudulent, but cutting a little corner, by giving their home to their children so that they do not have to list it as an asset.

I certainly hope that this amendment will be adopted.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Chairman, I applaud the gentleman from California on offering his amendment. I had a similar amendment that I had intended to introduce myself. I think the amendment makes eminently good sense not to force elderly people out of a home they have lived in for years in order for them to receive the SSI payments that they are entitled to.

The amendment offered by the gentleman from California (Mr. KETCHUM) goes right to the heart of what I believe is a very serious problem. I think it actually reduces the cost of the program rather than increasing it. I think it has tremendous merit and ought to be adopted.

Mr. Chairman, again I say that I rise in support of the amendment offered by the gentleman from California (Mr. KETCHUM).

I published in the RECORD on August 10, 1976 an identical amendment to H.R. 8911 for two very important reasons. It is evident to me that the people of our Nation favor giving assistance to those in need, but that the public is tired of administrative waste. This amendment cuts unnecessary and wasteful administrative costs in the SSI program, but more importantly, the amendment allows a number of blind, disabled, and elderly persons in need of assistance to keep their family home.

The amendment is simple. It allows an individual to exclude the home, regardless of value, for purposes of the SSI resource test. In other words, the home is not counted as a resource available to the individual.

The only potential rationale against this amendment is the fear that the reform will allow a few people who own very valuable property to obtain assistance. This fear is unfounded—one cannot maintain and pay the property taxes on a "mansion" or a very valuable home and still meet the income test and other resource tests. The home valuation requirement is a cosmetic requirement—but it is an unnecessary and wasteful one.

The home valuation requirement prevents many individuals with low incomes from obtaining the assistance they need. Specifically, the requirement penalizes those who have managed to save and buy their own home. Currently most people otherwise eligible for SSI but who own a home valued at more than $25,000 cannot obtain assistance. I used the word "value" instead of "worth" because inflation has dramatically escalated the market price of the home. An individual who purchased a home for $13,000 in 1966 or for $18,000 in 1971 will often find that the home is now valued at more than $25,000 today; and, accordingly, these homeowners would be ineligible for assistance. Just because the selling price of the home has shot up does not mean that these citizens have additional resources at their disposal. Certainly, they are not living in a better home.

The Ways and Means Committee bill attempts to account for inflated home values by allowing individuals to use the purchase price of the home—or the current market value—as the value for purposes of the SSI resource test. The point is, however, that we do not need to include the home in the resource test to determine who needs assistance—valuing the home is just not needed to eliminate wasteful welfare expenditures. The committee's reform proposal will further add to the administrative costs, as it will be necessary to verify the claimed purchase price.

Additionally, the committee bill will create a dual standard; this is unfair and undesirable. For example, if two neighbors bought identical houses at different times, one might be eligible for assistance and the other would not. The two houses could both be worth $28,000 today, but one individual could have bought the house for $20,000 in 1970 and the other individual could have bought his home for $26,000 in 1975. If the two individuals have identical incomes and other resources and live in identical houses, one individual cannot be in less need of assistance than the other. And, if they meet the income and resource tests, excluding the home, they both need help. Two individuals who live in different regions of the country might have identical incomes and resources and own identical houses. However, because property values differ greatly between regions, one individual could have bought a house for $20,000 and the other bought the house for $30,000. The living standards are identical and the real resources are identical; but unfortunately, one individual will not be able to obtain the SSI assistance that he needs.

The committee reform also does nothing to help the individual who buys a moderately priced home today and becomes disabled in a few years. I do not believe that the Congress really intends to tell that individual to sell his home and buy a home that is "worth" less, particularly when inflation will make it impossible for him to buy a new home "valued" below the maximum allowed under current regulation. In many parts of the Nation homes are just not available below the maximum level now allowed. I think it ought to be our policy to encourage people to try to retain their family home. We should not deny assistance to those in need who are otherwise eligible for SSI merely because they managed to obtain a home.

A number of my constituents have learned to their dismay that they cannot get assistance simply because they own a home that is worth a little more than what is allowed under the current program. Many of these people are older folks who have lived in their homes for some time and now find that their few acres have been greatly inflated by land speculation. These houses are humble homes—the only property value is in the land, not the house. I do not want to force these folks to sell their home and land to the big developers and land speculators. These people ought to be able to keep their property.

Experience in California points out that by allowing individuals to exclude their home regardless of value will not greatly add to the public assistance rolls. The Social Security Administration advises me that 99 percent of the elderly who would otherwise be eligible for SSI own a home that is valued at less than $25,000. Why should we force those few who have managed to obtain a home to sell it? Only 19 States had home value limits before this program was administered by the Federal Government. My State of Virginia did not have a home value limit.

The amendment now before the House is equitable; it will not greatly add to the number of individuals receiving public assistance; it will certainly simplify the system; and, most importantly, it will allow people to keep their home. I urge its adoption.

Mr. MATSUNAGA. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. I thank the gentleman for yielding.

I, too, commend the gentleman in the well, Mr. KETCHUM, for offering his amendment. It offers a simple solution to a problem which has been confronting the elderly with limited or no income, especially a widow or widower whose only worldly possession happens to be the home in which he or she lives and whose income would be insufficient for proper sustenance without SSI assistance. It would be tragic to force such person to sell the home in order to qualify for SSI benefits, when low-cost housing is virtually unavailable in cities such as Honolulu. The amendment would also save the elderly homeowner with no income from committing a subterfuge by transferring the home to his or her children, merely to qualify for SSI benefits. The honest ones who refuse to commit a subterfuge would be penalized.

Mr. Chairman, I urge the adoption of the Ketchum amendment.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this amendment, because of my own experience. As trustee of the legal services program in my home county, we fought for this. I felt that it was absolutely necessary, not only from the humane point of view of not moving people out of their homes, but because of the expense of appraisal and finding another house, constituting a totally unnecessary hassle which does not benefit anybody.

I applaud the gentleman for his amendment.

Mr. PIKE. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from New York.

Mr. PIKE. I thank the gentleman for yielding.

Is there any limitation in law or in current regulations pertaining to the amount of land which would be involved in the definition of a person's home? Can this person, the value of whose home, if the gentleman's amendment passes, is no longer to be considered, be allowed to have 10 acres around that home?

Mr. KETCHUM. There would be no restriction; there is none to my knowledge in the regulations now.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. KETCHUM was allowed to proceed for 1 additional minute.)

Mr. KETCHUM. I thank the gentleman from New York for his question. There is not, to my knowledge, any limitation on land or acreage surrounding a home in the regulations at this point. I would yield to anyone who might argue that point. The point is, though, that if this land were of such consequence, in order to pay the property taxes on that property, would require that individual to have assets enough so that he or she would not be eligible to receive the benefit anyway.

Mr. VANDER JAGT. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Michigan.

Mr. VANDER JAGT. I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman for the excellent case that he has made for his amendment.

Mr. Chairman, I do not object to the amendment offered by the gentleman from California, a member of the Subcommittee on Public Assistance. The amendment would disregard the value of the home for purposes of SSI eligibility.

While the administration has not taken a position on the amendment, it has expressed substantial concern over the provisions adopted in the Ways and Means Committee. HEW believes that it would face considerable difficulties in administering the exclusion under the requirements as set forth in the bill, in which the home's market value, or the price for which it was purchased or otherwise acquired would have to be established. In many instances it could be extremely difficult to reliably establish the value of a home at the time of its acquisition, especially if that occurred many years ago.

The committee provision, however, reflects the substantial concern of Members with respect to the impact of soaring real estate values, which could force a person to lose SSI eligibility or to give up his property.

It is my understanding that California makes persons eligible for State SSI benefits if they would qualify except for the value of their home. There are about 1,500 such cases, a small fraction of the total SSI population in the State.

The cost of the Ketchum amendment has been estimated at between $5 million and $7 million, but there would be an administrative cost savings of approximately half that amount in excluding the value of the home. I will not object to the gentleman's amendment.

Mr. KETCHUM. I thank the gentleman for his comments.

Mr. Chairman, I hope the amendment is agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. KETCHUM).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. PICKLE

Mr. PICKLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PICKLE. Strike out line 23 on page 17 (of H.R. 15080) and all that follows down through line 17 on page 18 and insert in lieu thereof the following: "the benefit for such individual for such month shall be payable—

(iii) in the case of an individual who does not have an eligible spouse, at a rate not in excess of $300 per year (reduced by the amount of any income of such individual which is not excluded pursuant to section 1612(b));

"(iv) in the case of an individual who has an eligible spouse, if only one of them is in such a hospital, home, or facilitiy throughout such month, at a rate not in excess of the sum of—

"(I) the rate of $300 per year (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the one who is in such hospital, home, or facility), and

"(II) the applicable rate specified in subsection (b)(1) (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the other); and

"(v) in the case of an individual who has an eligible spouse, if both of them are in such a hospital, home, or facility throughout such month, at a rate not in excess of $600 per year (reduced by the amount of any income of either spouse which is not excluded pursuant to section 1612(b));

except that for purposes of any provision of law other than this subparagraph, any benefit determined under clause (iv) shall be deemed to be payable at a rate equal to the sum of the rate of $300 per year and the applicable rate specified in subsection (b)(1), reduced by any income of either spouse which is not excluded pursuant to section 1612(b).".

Mr. PICKLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment may be considered as read and printed in the RECORD. The amendment had been previously submitted in the RECORD, in printing, and it is in exactly the same form.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKLE. Mr. Chairman, I rise to offer this amendment that is designed to prevent a couple, one of whom has to enter into an institution, from putting the spouse who stays at home in a position where he or she does not have enough to live on. Now, while it is not true that "two can live as cheaply as one," nevertheless a couple living at home can get by on a small income. When one of them has to enter an institution, one-half of the income is deemed to be available to the person in the institution, when, in fact, that full amount is necesary for the one on the outside to survive.

Under the present law a couple is not considered "separated," so that the income can be adjusted, until they are separated 6 months. My amendment would treat them immediately, after one enters an institution, as if they are living alone, which in fact they are.

It is sad to see in many cases couples who have lived together a lifetime forced to resort to divorce, in order that the spouse who has to enter an institution can be considered eligible for benefits, without cutting into the few dollars available to the spouse who must continue to live in the home.

HEW estimates that this will cost less than $1 million. We expect that the revenue loss from this amendment will be negligible, yet it is very important to those few couples whom it affects.

Perhaps the best way to illustrate this is by example:

EXAMPLE OF SITUATION ARISING WITH ONE SPOUSE IN NURSING HOME LEADING TO PERCEIVED NEED FOR DIVORCE

Actual case: Mr. and Mrs. B are married. Mrs. B is told by doctor she must enter nursing home. The income of the family is $561.88 per month, totally belonging to Mr.

B (a combination of Social Security and a private retirement plan).

In Texas, by agreement of Department of Public Welfare with Social Security Administration and Medicaid agency, the spouse living at home (when one member of a couple is in a nursing home) is allowed to retain $167.80 for expenses of the home and that spouse's personal expenses. The remainder of the income is deemed available to the spouse in the nursing home (Until, at the end of 6 months under current law, those two persons are treated as separated for purposes of determining benefits for the duration of the nursing home episode).

	Per month
Mr. B's income	$561.88
Mr. B allowed to retain for own expenses and running home	167.80
Remainder deemed available to pay for Mrs. B's care	394.08

Texas has set a $390 limit of income after which a person is ineligible for SSI and therefore Medicaid to pay for nursing home care. Therefore, Mrs. B's available "income" (remainder of Mr. B's income) places her $4.90 above that limit, and she is ineligible.

If Mrs. B were treated as immediately "separate" from husband upon entering nursing home, she would have no income of her own, and therefore would be eligible for SSI and therefore for Medicaid to pay for her nursing home expenses (+$25/mo. for living expenses from SSI). Mr. B could keep all his income for his and home's expenses.

Only other way for Mrs. B to have nursing home bills paid is for Mr. and Mrs. B to obtain divorce.

Mr. CORMAN. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from California.

Mr. CORMAN. Mr. Chairman, the gentleman from Texas has called the attention of the Committee to this very important needed change. I support it.

Also I have discussed it with the ranking minority member of the subcommittee.

Mr. VANDER JAGT. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Michigan.

Mr. VANDER JAGT. Mr. Chairman, I rise in support of the amendment.

When an individual enters a hospital or other medical institution for which treatment is covered under medicaid, his SSI benefit is reduced from its usual level to an amount not in excess of $25 per month.

H.R. 8911 presently proposes that this reduction in benefits be withheld until after the first 3 months of hospitalization. This is a desirable change which takes account of the fact that one is not immediately relieved of the burden of his living costs outside an institution upon being hospitalized. He must maintain his home, et cetera.

Current law also provides that when a couple becomes separated for 6 months, their SSI benefits are to be computed individually, thus providing benefits which are more adequate to their individual needs.

The gentleman's amendment as I understand it is designed to take care of the remaining interval in particular, during which SSI benefits could be entirely inadequate. For example, when a husband enters a medical institution, his social security benefits will be used to assist in meeting his medical expenses. His spouse will no longer have the use of those funds; until the 6 months' separation requirement has been met, she will be left with only minimal SSI benefits on which to live.

The amendment is a desirable effort to meet this problem; in this instance, it would result in her SSI being computed separately and amounting to full individual benefits.

The administration does not object to the amendment, which carries negligible cost. I urge its acceptance.

Mr. PICKLE. Mr. Chairman, I thank the gentleman.

Mr. MATSUNAGA. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Chairman, I rise in wholehearted support of the amendment offered by the distinguished gentleman from Texas (Mr. PICKLE) to H.R. 8911, the Supplemental Security Income Amendments of 1976. The amendment will provide for the immediate consideration of couples receiving SSI benefits as "separated" for the computation of individual benefits when one of them enters a medical institution and thereby, under current SSI provisions, cuts the remaining spouse's income in half.

Presently, the law provides for such individual computation of benefits to couples only after they have been separated for a period of 6 months. This delay in the computation of individual benefits has created undue hardship for elderly married couples, who are often forced to resort to divorce in order to obtain benefits for the spouse entering the institution, without cutting into the benefits available to the spouse who must continue to live at home.

The Department of Health, Education, and Welfare has estimated the cost of this amendment to be less than $1 million. This is a negligible amount viewed in the light of the tragic situation in which affected couples find themselves.

Mr. Chairman, I strongly support the Pickle amendment and urge my colleagues to do likewise.

Mr. PICKLE. Mr. Chairman, I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PICKLE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANGEL: On page 21 (of H.R. 15080), after line 5, insert the following new section (and redesignate the succeeding section accordingly):

INCREASE IN SSI BENEFITS TO REFLECT CERTAIN EXPENSES

SEC. 18. (a) Part A of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"INCREASE IN BENEFITS TO REFLECT CERTAIN EXPENSES

"SEC. 1618. (a) In the case of an eligible individual whose annual housing expenses exceed 33⅓ per centum of his or her annual income (which for purposes of this section shall include benefits determined under section 1611 and any income which would otherwise be excluded pursuant to section 1612(b)), and who makes application for assistance under this section, the benefit otherwise payable under this title shall be increased by an amount determined at a rate which is the lesser of—

"(1) $600, or

"(2) the amount by which such individual's annual housing expenses exceed 33⅓ per centum of his or her annual income.

"(b) For purposes of this section, an individual's annual housing expenses shall consist of such individual's annual expenses for rent or for mortgage payments and real estate taxes, together with such individual's annual expenses for gas and electric utilities and home and water heating.

"(c) If two aged, blind, or disabled individuals are huband and wife (which shall be determined in accordance with section 1614(d)) and are not living apart from each other, only one of them may be qualified to receive an increase in benefits under this section; and the income and annual housing expenses of the other shall be included for purposes of determinations under this section to the same extent as they would be if such determinations involved eligibility for and amount of benefits under section 1611.

"(d) The Secretary shall administer this section and shall prescribe such regulations as may be necessary or appropriate to effectuate its purposes and conform its administration, to the maximum extent feasible, to the general administration of the supplemental security income benefits program under this title.".

(b) The amendment made by subsection (a) shall be effective on and after October 1, 1976.

Mr. RANGEL. Mr. Chairman, this amendment to H.R. 8911 to increase benefits to SSI recipients is an extremely important measure to insure decent and adequate housing for our Nation. It is a disgrace to think that in the United States of America there are those of us who must go without food in order to pay for living facilities that are often indecent and unfit for human habitation.

Housing expenses in this country vary more than most other basic necessities. This is due to many factors: locality, rate of mobility, availability for Government housing, and so forth.

The provisions of H.R. 8911 should respond to the discrepancies in housing expenses, since these costs comprise a major portion of the differences in the cost of living; and the elderly, blind and disabled are not well equipped to change residence in response to varying housing costs.

My amendment would provide an increase in SSI benefits for persons whose annual housing expenses exceed 33⅓ percent of their annual income, up to a maximum of $600. The items which comprise housing expenses are rent or mortgage payments, real estate taxes, expenses for gas and electric utilities and home and water heating.

During the committee's study of the SSI program a primary concern was the inflexibility of the benefit levels to accommodate the varying needs of SSI recipients, especially as they relate to housing expenses. These variations take different forms.

Often, there are different rents for the same housing within a local jurisdiction

because some rental units are under Government imposed ceilings and others are not. This especially applies to increases suffered by individuals when they move out of State, thus releasing the landlord from continuing at the lower rental rate.

Housing costs may be greater for certain physically handicapped persons, who have to obtain housing with specific facilities. For example, rental costs are usually higher in elevator equipped buildings in comparison to walk-ups, thus increasing the cost for those in wheelchairs or on crutches.

Other variations include the differences in availability of Government subsidized low-cost housing on rent supplements, variations in heating costs due to the differing impacts of fuel prices in different localities, and variation in costs between rural areas or small towns and cities relating to differences in housing construction costs. Housing construction is affected by labor costs, land, and materials, and these vary from one locality to another.

This amendment, by providing increases in benefits, will in many cases aid those who are trapped into remaining in miserably unfit housing to find decent homes. Also, this provision should encourage landlords, as indirect recipients of the cash increases, to provide proper maintenance and make necessary improvements to substandard facilities. I urge my fellow Members of the House to support this amendment, because its provisions are an indispensable part of H.R. 8911.

Mr. VANDER JAGT. Mr. Chairman, I rise in very, very strong opposition to this amendment.

The initial estimate of the cost of this amendment was $825 million. That has now been revised upwards to over $1 billion.

Mr. Chairman, for 5 days the full Committee on Ways and Means wrestled with all the implications of H.R. 8911. The total cost was about $86 million. In 5 minutes the full Committee on Ways and Means rejected this $1 billion amendment. I do not think anyone could seriously argue that we have not given full and proper consideration to this amendment, which would launch us into a massive housing assistance program far removed from the fundamental purposes of the supplementary security income program.

This $1 billion amendment would take us 10 times over the budget resolution authorization of $100 million for this bill; so the $1 billion amendment would sink the whole bill and the good work that is embodied here would be lost.

Mr. Chairman, I urge the Members to reject the amendment resoundingly.

Mr. CORMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it is true that the full committee considered and rejected this amendment. The subcommitte considered it under the bill, H.R. 8912, and reported it favorably to the full committee.

It is a substantial amount of money. It would be a significant policy shift in the philosophy of the Federal Government as it relates to SSI. It is, I think, a sound policy shift. We would be paying more Federal dollars to beneficiaries who live in higher-cost areas.

Looking at it from the point of view of the people that we are dealing with, they live on very meager amounts of money.

We say they must spend at least one-third of their few dollars for rent if they are to get this additional support. Not many of us think we can live on $44,600 a year and pay a third of it in rent. Try it on $175 per month.

As to equity among the States, when we federalized welfare for this group of beneficiaries, we said that we would pay exactly the same per capita, whether they live in very expensive areas or inexpensive areas, and leave it to the good consciences of the States to decide on how much to supplement it, but that is not fair to all American citizens and not fair to all American taxpayers, because in more expensive areas Federal taxes are higher because incomes are higher.

Mr. Chairman, I recognize the gravity of this amendment, but I urge its adoption.

Mr. MILLER of Ohio. Mr. Chairman, I move to strike the requisite number of words. I would like to address a question to the author of the amendment, the gentleman from New York (Mr. RANGEL).

How does the amendment affect those families that are receiving HUD subsidies of $873 per month for rent? Would they receive additional funds under the gentleman's amendment?

Mr. RANGEL. No funds are to be received by any recipient if, in the total amount they are receiving on a monthly basis, less than one-third of that amount is paid for rental costs.

Mr. MILLER of Ohio. When we had the HUD appropriation bill on the floor, it was brought out that one family could receive as much as $873 per month for a rent subsidy. Now, if they had no one in the family working, or no income coming in, would that subsidy still be paid, and then would they receive the regular SSI payment plus up to $50 per month under the gentleman's amendment?

Mr. RANGEL. I am saying that if the subsidy is locked into place, then certainly we cannot consider that as being something that is being paid by the recipient. If one accepts that, then we take a look at the SSI check and find out how much monthly income would have to be paid toward rent, even though the subsidy may be already locked in, but certainly not paid by the recipient for that rent.

Mr. MILLER of Ohio. But that is not answering the question. If a family is being paid that maximum amount, and they have no income, will they still receive a SSI payment plus up to $50 additional that the gentleman is offering in his amendment?

Mr. RANGEL. Is the gentleman saying that they have no income? No, they do not receive any income under SSI.

Mr. MILLER of Ohio. That is correct. That came out under the appropriation bill for HUD, that there are families receiving that amount of $873 per month, per family, for rent. That is why I am concerned. If they are also going to receive the SSI now on top of that additional because they paid nothing from their own income for their rent, the people, the taxpayers of the United States paid that rent, and now are we asking for additional funds on top of that?

Mr. RANGEL. No, if they have no income, then certainly they would not be the recipient of SSI, and certainly if the rent is already being paid by a different source, and the formula we are using relates to the SSI check, then it certainly would not apply where the recipient's rent is being paid by some other public source.

Mr. MILLER of Ohio. It would not apply, the gentleman's amendment would not give them additional funds?

Mr. RANGEL. No, because under the situation the gentleman refers to, this would not be one-third or over one-third of the SSI income that would be paid. The gentleman's concern is where, through another Federal program, the Government is subsidizing the rent, and it would not apply to this amendment.

Mr. MILLER of Ohio. I thank the gentleman.

Mr. CORMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. MILLER of Ohio. I yield to the gentleman from California.

I am confused. I realize we are all supposed to know all of these programs. This one is based upon $876 a month rent?

Mr. MILLER of Ohio. Eight hundred seventy-three dollars.

Mr. CORMAN. Excuse me. I do not want to overstate the case. Eight hundred seventy-three dollars a month rent. Is there an existing Federal program in which we are giving that much money to some property owner to house a welfare family?

Mr. MILLER of Ohio. If the gentleman recalls, when the appropriation bill for HUD was on the floor. I asked at that time the chairman of the subcommittee handling the HUD bill and the ranking minority member what was the maximum amount being paid to any one family for 1 month. I did not receive an answer at the time, so I checked with HUD. It took about 3 days before the answer came back. The answer was that we are paying up to $873 per month for one family, yes. That was the answer from HUD.

That is why I questioned as to what amount we are going to pay beyond $873 per month subsidy.

Mr. CORMAN. If the gentleman will yield further, under the program we are talking about, nobody gets that much money. As a matter of fact, California is the highest paying State, and it pays $532 a month per couple.

I think that maybe what we were talking about is the people who are making up to $873 a month would be elfgible for rent subsidy. If in truth we are paying $873 a month for rent—and the gentleman may very well be correct—we might want to have some substantial changes.

Mr. MILLER of Ohio. I assure the gentleman that it is not a family who is making $873 a month.

The question was how much is the American taxpayer subsidizing and what is the maximum amount being paid to any one family for 1 month, and the an-

swer was that if no one in the family were working, we are paying up to $873 per month subsidy to that one family.

Mr. CORMAN. We will certainly look into it. Some landlord is making a hell of a profit.

Mr. MILLER of Ohio. I am afraid so. I thank the gentleman.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in strong support of this amendment. As a sponsor of it, along with my colleagues, the gentleman from New York (Mr. RANGEL) and the gentleman from New York (Mr. OTTINGER) I feel very deeply that this amendment will help insure that the most helpless people in this society, the blind, the disabled, and the aged poverty-stricken people of America, will get a small additional amount of money to insure a modicum of economic dignity in their lives.

This amendment is a very modest amendment. It says that if an S&F beneficiary is paying more than one-third of his benefits in rent, he can get up to $50 a month in additional benefits to meet the extra housing cost. Although the total expenditure may be substantial because there are many poverty-stricken people in this country who are blind, disabled, and aged, the amount any single person would get under this amendment is really very, very small.

The $50 a month in additional benefits amounts to $1.67 a day per person. What does the amendment provide in terms of available income per person for SSI recipients? The SSI benefits are presently so low that if this amendment passes in the States that pay the highest benefits, California and Massachusetts, people will be getting about $6 a day after rent costs to live on.

It seems fairly difficult for anybody to live on $6 a day. That is hardly enough to pay for food, transportation, clothing, toothpaste, or other essentials.

But $6 would be available only in the two States that pay the highest benefits. In New York State this amendment would insure that people have only about $4.85 a day to live on after paying rent. In most States of the Union, this amendment would insure that people get about $3 a day to live on.

Who are these people? They are the poverty-stricken blind, aged, disabled; they are the people who are helpless and who cannot help to provide for themselves.

This amendment is especially important because so many people in my district, in the city and State of New York, and in other places throughout the country find that most of their small SSI benefits are spent for rent or housing costs. It is not uncommon for an aged, blind or disabled New Yorker, who receives $218.55 in SSI benefits each month, to pay more than $150 in rent alone—thus leaving no more than $2 a day on which to live. It is impossible for anyone to survive on $2 a day.

Our amendment would provide some relief to the many needy people in such desperate circumstances.

Mr. Chairman, I remind the Members of this Committee that the SSI program was designed to provide a Federal guaranteed income to insure that these most helpless people in our society would be able to live in our wealthy nation with some economic dignity. If we are not willing to insure that people in this country who are blind, disabled, and aged and who are very, very poor and unable to provide for themselves can have at least $3 to $6 a day on which to survive, then I wonder how proudly we who are better off can stand in this Bicentennial year.

Therefore, I urge my colleagues to support this amendment.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I reluctantly oppose this amendment. The gentleman from New York, a member of the subcommittee and of the full committee, is one of the few Members of the House that really has an understanding of the SSI program and of its problems. I do understand the problems, particularly as they sort of regionalize.

Let me give the Members two reasons at this time for the defeat of this amendment. One reason—and it is of overwhelming importance—is that it will simply sink the bill. We are talking about $1 billion over what we have budgeted, and that will simply sink the bill. The bill is far too important in many other areas to do that.

The other reason is a fear that I have, and perhaps we will never be able to achieve a perfect way of solving this problem. The fear that I have is that individuals who are renting homes, that is, the landlords themselves, may have—and I emphasize "may have"—a proclivity to take a look at these individuals and jack their rents up a little bit and say, "We know they are getting a little extra money, so let us just raise the rent today, and then we can raise it 6 months from now." I am not saying that will happen, but it could happen.

Mr. Chairman, the main fear I have is that it will kill the bill.

Mr. VANDER JAGT. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Michigan.

Mr. VANDER JAGT. Mr. Chairman, I thank the gentleman for yielding.

I would just like to underscore the gravity of this amendment and point out that this is a $100 million bill that is before us. The adoption of this amendment would make it a $1,100,000,000 bill and guarantee a veto.

I think of the hours and the weeks that we wrestled with this bill and shuffled amounts of $3 million and $2 million around, and as the gentleman from California (Mr. KETCHUM) pointed out, we would hate to sink the bill by the addition of this $1 billion amendment, which is guaranteed to attract a veto. I believe that when we go 1,000 percent over our own budget resolution on this bill, we would find that the veto would be sustained. It would be a tragedy not to give the benefits and the good that is in this bill to so many needy and deserving people.

That is what would happen by the attachment of this amendment, which would indeed guarantee a veto and kill the bill, and then the good that is contained herein would be lost.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for yielding.

I would think that the gentleman from Michigan (Mr. VANDER JAGT) well understands that in enacting the SSI program the Federal Government undertook a responsibility to provide support for the most helpless people in this country: the blind, the disabled, and the aged people who are too poor to help themselves.

Mr. Chairman, if we have undertaken this responsibility, how can we stand here today, knowing that these people in many parts of this country live just on the edge of despair, many of them going without food and many of them not having enough money to buy a pair of shoes, to buy soap, or to buy toothpaste, how can we stand here today and say that we cannot afford another $1.66 a day for these people?

Mr. Chairman, I thank the gentleman who says we cannot afford it is not really speaking accurately.

Mr. VANDER JAGT. Mr. Chairman, will the gentleman yield so that I may respond to the statement of the gentlewoman from New York (Ms. HOLTZMAN)?

Mr. KETCHUM. I yield to the gentleman from Michigan.

Mr. VANDER JAGT. Mr. Chairman, I thank the gentleman for yielding.

The SSI program is an income maintenance program, not a housing program. It is very possible that these needs are needs that should be attempted to be answered through a housing program, but we should not subvert the supplemental security income program, which is establishing a minimum Federal income standard for the Nation.

Mr. Chairman, we would subvert the purpose of SSI if we attempted to grapple with the problem which the gentlewoman from New York (Ms. HOLTZMAN) has so graphically described.

Mr. OTTINGER. Mr. Chairman I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am very pleased to join with my colleagues, the gentleman (Mr. RANGEL) and the gentlewoman from New York (Ms. HOLTZMAN), in offering this amendment.

I would like to say that I have always heard from those on the other side of the aisle that they certainly do not like the excesses in the social welfare programs; but they have always felt that the people who are really in need ought to be dealt with adequately.

Mr. Chairman, the SSI program did not foresee the tremendous differences in the cost of living that do exist in different parts of the country, and it makes no provision for those differences. There are SSI recipients in my area, in areas like Mount Vernon, N.Y., who are in very poor communities within areas with a very high cost of living; they have such a difficult time making ends meet that they

cannot afford adequate diets. We have people coming into my office with tears streaming down their face. They say that their rent has gone up but their SSI payment has not. They ask, "How are we going to eat?" One of my district office managers spends a quarter of her time trying to get food from charities so that these people do not starve to death. That should not happen in the United States of America.

Mr. Chairman, this is a modest provision. It just says that we will make a little bit of allowance for the high cost of living areas and make some provision so that the aged, the blind, and the handicapped in the United States do not have to worry about starving.

Mr. Chairman, I do hope that my friends on the other side will support this minimally adequate provision for the people who are most in need.

Mr. Chairman, while H.R. 8911 has many good features that will help to end some of the inequities of the present SSI program, it is tragically deficient in providing relief to aged, blind, and disabled persons residing in high cost of living areas such as my own congressional district in Westchester County, N.Y.

One of the principal defects of SSI that causes horrendous pain and suffering is the lack of flexibility and failure to take into account regional differences in cost of living. The best way to rectify the problem is through an allowance for housing—the principal cost item in the SSI recipient's budget.

Mr. Speaker, during the 1st session of the 94th Congress I introduced a bill, H.R. 7138, to provide a housing allowance to those SSI recipients who are spending more than one-quarter of their income for housing needs with an annual ceiling of $1200 for any one individual. I believe the figure of 25 percent of income that I proposed last year is both reasonable and logical. It conforms to the standards set under the section 8 housing assistance payments program in which eligible persons are given a Federal housing benefit equal to the difference between the market value of a rental unit and a given percentage of income.

While I continue to feel that my proposal is the most reasonable one and would hope that we could eventually provide a benefit computed on the basis of one quarter of income, I support the amendment being offered based on one third of income because of present budgetary constraints. The Social Security Administration has indicated a first year cost of my proposal of $1.3 billion, while the Rangel amendment would cost just over $800 million.

I would like to point out that the Public Assistance Subcommittee of the Committee on Ways and Means reported this housing subsidy provision to the full committee. The full committee, unfortunately, failed to adopt this as a part of the reform package that is being considered today.

I firmly believe that rent supplementation is one way of getting around the basic inflexibility of a program that has never taken regional cost-of-living differences into consideration in the awarding of benefits even those that makes the difference on whether SSI recipients can afford adequate food or clothing. In the higher cost of living areas of the country rising rent and utilities, coupled with a lack of adequate alternate housing at reasonable prices has made it utterly impossible for those on SSI to survive.

Because of the crying need for justice and mercy in this program, and because this is a proposal that has received significant indications of support from among the House membership, I urge my colleagues to cast their votes in favor of providing much needed relief to the aged, blind, and disabled for whom this program is their only means of survival.

Mr. BINGHAM. Mr. Chairman, it is my pleasure to rise to express my vigorous suport for the housing assistance amendment offered by my colleagues from New York: Mr. RANGEL, Mr. OTTINGER, and Ms. HOLTZMAN. This amendment is essentially identical to a provision in SSI reform legislation (H.R. 2891) I cosponsored with MS. HOLTZMAN early last year, and to a bill approved by the Public Assistance Subcommittee last year. It embodies the principle of housing supplements for low-income elderly on social security which I have been advocating in various legislative proposals since 1971—for example, H.R. 12161, 92d Congress. Specifically, the amendment provides an increase in SSI benefits for persons whose annual housing expenses exceed one-third of their income up to a total supplement of $600. I am pleased to point out that we realistically included under "housing expenses" real estate taxes, and the cost of gas and electric utilities and home and water heating in addition to rent or mortgage payments.

The concept of special housing supplements to low-income persons to limit such costs to one-third or one-fourth of their income is widely used under other public assistance programs administered by Federal, State, and local governments. It reflects recognition of the fact that shelter expenses vary greatly from area to area and imposition of strict national or State income standards which do not take into account local housing conditions would be unjust for those who live in high-cost areas. The crisis in the housing industry and in fuel supplies has added to this problem of rising rents and related housing expenses. Various levels of government have responded by raising housing assistance limits. This is all fine and good for those low-income persons who live in public housing or receive housing cost-based welfare payments. But what about the elderly, blind, and disabled on SSI? What do they do when their housing expenses rise to the point where they have little left over from their SSI income after their rent, or mortgage, and utilities are paid. A nationally based Cost-of-living increase of 8 percent or 6.4 percent is not going to cover a 20-percent or 30-percent housing cost increase.

This problem is especially acute in New York City, part of which I represent. There fuel and shelter costs have risen greatly over the past few years. The fiscal crisis has also forced the State and city government to phase out or limit various rent control and rent exemption programs. Consequently, some unfortunate persons on fixed incomes have been faced with 20-percent to 50-percent rent increases which are impossible for them to absorb. For example, back in 1974 during hearings conducted by the New York State Assembly Standing Committee on Social Services, it was discovered that in many areas of the State it was not uncommon for a single person to have to pay rent in the range of $140 to $160 per month. After also paying for utilities, an essential phone, personal necessities, transportation, and perhaps heat, a person with as little as the basic monthly SSI grant of $206.85 would have as little as $1 a day with which to put food on the table. The anguish this situation caused especially for the proud elderly, blind, and disabled cannot be measured. I urge my colleagues in the House to consider the plight of these people and vote in favor of the Rangel-Ottinger-Holtzman amendment. Justice for our aged, blind, and disabled low-income persons demands it. If we fail to take this step, we might as well officially rename SSI as supplemental "insecurity" income as it was called in 1974 by the New York Times.

Mr. GIBBONS. Mr. Chairman, I rise in opposition to this amendment. In essence, it creates a housing allowance program for persons eligible for the SSI program. Under this amendment, extra SSI payments—beyond the basic Federal benefits—would be made to persons whose housing costs—including rent, mortgage, real estate taxes, heating, and utilities—exceed one-third of their total income. There is a maximum payment of $50 per month, or $600 per year. I urge opposition on grounds of cost and the relationship to the budget resolution; on administrative grounds; and on the grounds that the program's design does not make economic sense. Let me expand on the points.

COST AND THE BUDGET RESOLUTION

This bill would cost $825 million. There is no money for this in the budget resolution, in large part because the Ways and Means Committee explicity rejected the proposal when making its recommendations with respect to the fiscal year 1977 budget to the House Budget Committee.

ADMINISTRATIVE PROBLEMS

This amendment would return the SSI program back to the old-style welfare calculation of individual need, rather than the promised, more streamlined calculation of income. It would be very complex and costly to administer, requiring documentation of rent, mortgage, taxes—prorated monthly—and utilities. Every time someone's rent is raised, property taxes are changed, or utility rates are raised, SSI officials would have to recalculate or else make erroneous payments. Given the severe problems the Social Security Administration is already having in administering the program—and these are the problems we've been reading about in the papers time and time again, can social security administer what is in effect another complex program?

ECONOMIC PROBLEMS

This amendment, while noble in intent has serious design flaws. It directly

encourages higher spending on housing, simply because of the new subsidy. Once housing costs one-third of income, a recipient can incur $50 more monthly in housing costs and be completely reimbursed. A payment of only a portion—for example, one-half—of the difference between one-third of income and housing costs would discourage unnecessary housing consumption in much the same way that personal cost-sharing in health care is said to do.

Finally I would note that the Department of Housing and Urban Development has been operating a massive housing allowance experiment to test the effect on rent levels and demand for housing of housing subsidies. It is my understanding that no firm conclusions can yet be drawn as to whether landlords would simply hike rent since SSI will pay for some or all of the rent increases. These are important questions, and should be given more detailed committee attention.

I urge my colleagues to vote no to the Ottinger amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. VANDER JAGT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee on the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 665]

Abzug	Drinan	Landrum
Anderson, Ill.	Early	Lehman
Andrews, N.C.	English	McCloskey
Archer	Esch	McCollister
Badillo	Eshleman	McKay
Beard, R.I.	Evins, Tenn.	McKinney
Beard, Tenn.	Fish	Martin
Bolling	Fuqua	Mathis
Brademas	Giaimo	Melcher
Breaux	Gibbons	Milford
Burgener	Green	Mink
Burton, Phillip	Harrington	Moorhead, Calif.
	Harsha	
Cederberg	Hays, Ohio	Moorhead, Pa.
Chisholm	Hefner	Mosher
Clausen, Don H.	Heinz	Murphy, N.Y.
	Hinshaw	O'Hara
Cochran	Howe	O'Neill
Conlan	Jarman	Passman
Conyers	Johnson, Colo.	Pattison, N.Y.
Coughlin	Johnson, Pa.	Peyser
D'Amours	Jones, Ala.	Poage
Danielson	Jones, Tenn.	Railsback
de la Garza	Kastenmeier	Rees
Riegle	Smith, Iowa	Teague
Rose	Stanton, James V.	Udall
Rosenthal		Waxman
Rousselot	Steed	Wiggins
Russo	Steelman	Wilson, C. H.
Santini	Steiger, Ariz.	Wolff
Scheuer	Stephens	Wylie
Shuster	Stuckey	Young, Alaska
Sisk	Talcott	

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. BERGLAND) Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8911, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 337 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Michigan (Mr. VANDER JAGT) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 114, noes 269, not voting 48, as follows:

[Roll No. 666]

AYES—114

Addabbo	Florio	Patterson, Calif.
Allen	Ford, Tenn.	Pepper
Ambro	Fraser	Perkins
Anderson, Calif.	Gilman	Price
	Gude	Randall
Beard, R.I.	Harkin	Rangel
Bergland	Harrington	Richmond
Biaggi	Hawkins	Rinaldo
Bingham	Helstoski	Risenhoover
Blouin	Holland	Rodino
Boland	Holtzman	Roe
Bolling	Howard	Rooney
Brademas	Johnson, Calif.	Rosenthal
Brodhead	Jordan	Roybal
Brown, Calif.	Koch	Ryan
Burke, Calif.	LaFalce	St Germain
Burke, Mass.	Lent	Sarbanes
Burton, John	Long, Md.	Scheuer
Carney	Madden	Schroeder
Clay	Maguire	Selberling
Cleveland	Matsunaga	Solarz
Collins, Ill.	Metcalfe	Spellman
Conte	Meyner	Stanton, James V.
Conyers	Mezvinsky	
Corman	Miller, Calif.	Stark
Cotter	Minish	Stokes
Daniels, N.J.	Mink	Studds
Danielson	Mitchell, Md.	Thompson
Davis	Moakley	Tsongas
Delaney	Moffett	Van Deerlin
Dellums	Mottl	Vanik
Diggs	Murphy, Ill.	Weaver
Downey, N.Y.	Murphy, N.Y.	Wilson, Bob
Drinan	Nix	Wolff
du Pont	Nolan	Wydler
Eckhardt	Nowak	Yates
Edgar	O'Hara	Young, Ga.
Ellberg	Ottinger	Zeferetti
Fenwick	Patten, N.J.	

NOES—269

Abdnor	Bauman	Broyhill
Adams	Beard, Tenn.	Buchanan
Alexander	Bedell	Burke, Fla.
Anderson, Ill.	Bell	Burleson, Tex.
Andrews, N.C.	Bennett	Burlison, Mo.
Andrews, N. Dak.	Bevill	Butler
	Biester	Byron
Annunzio	Blanchard	Carr
Archer	Boggs	Carter
Armstrong	Bowen	Cederberg
Ashbrook	Breaux	Chappell
Ashley	Breckinridge	Clancy
Aspin	Brinkley	Clawson, Del
AuCoin	Brooks	Cochran
Bafalis	Broomfield	Cohen
Baldus	Brown, Mich.	Collins, Tex.
Baucus	Brown, Ohio	Conable
Cornell	Hyde	Pickle
Coughlin	Ichord	Pike
Crane	Jacobs	Pressler
D'Amours	Jarman	Preyer
Daniel, Dan	Jeffords	Pritchard
Daniel, R. W.	Jenrette	Quie
Dent	Johnson, Colo.	Quillen
Derrick	Jones, Ala.	Railsback
Derwinski	Jones, N.C.	Rees
Devine	Jones, Okla.	Regula
Dickinson	Karth	Reuss
Dingell	Kasten	Rhodes
Dodd	Kastenmeier	Roberts
Downing, Va.	Kazen	Robinson
Duncan, Oreg.	Kelly	Rogers
Duncan, Tenn.	Kemp	Roncalio
Edwards, Ala.	Ketchum	Rostenkowski
Edwards, Calif.	Keys	Roush
Emery	Kindness	Runnels
English	Krebs	Ruppe
Erlenborn	Krueger	Santini
Evans, Colo.	Lagomarsino	Sarasin
Evans, Ind.	Latta	Satterfield
Fary	Leggett	Schneebeli
Fascell	Levitas	Schulze
Findley	Lloyd, Calif.	Sebelius
Fish	Lloyd, Tenn.	Sharp
Fisher	Long, La.	Shipley
Fithian	Lott	Shriver
Flood	Lujan	Shuster
Flowers	Lundine	Sikes
Flynt	McClory	Simon
Foley	McCollister	Skubitz
Ford, Mich.	McCormack	Slack
Forsythe	McDade	Smith, Nebr.
Fountain	McDonald	Snyder
Frenzel	McEwen	Spence
Frey	McFall	Staggers
Gaydos	McHugh	Stanton, J. William
Gibbons	McKay	
Ginn	McKinney	Steed
Goldwater	Madigan	Steiger, Wis.
Gonzalez	Mahon	Stephens
Goodling	Mann	Stratton
Gradison	Mathis	Sullivan
Grassley	Mazzoli	Symington
Guyer	Meeds	Symms
Hagedorn	Michel	Taylor, Mo.
Haley	Mikva	Taylor, N.C.
Hall, Ill.	Milford	Thone
Hall, Tex.	Miller, Ohio	Thornton
Hamilton	Mills	Traxler
Hammer-schmidt	Mineta	Treen
	Mitchell, N.Y.	Udall
Hanley	Mollohan	Ullman
Hannaford	Montgomery	Vander Jagt
Hansen	Moore	Vander Veen
Harris	Moorhead, Pa.	Vigorito
Harsha	Morgan	Waggonner
Hayes, Ind.	Moss	Walsh
Hébert	Murtha	Wampler
Hechler, W. Va.	Myers, Ind.	Whalen
Heckler, Mass.	Myers, Pa.	White
Hefner	Natcher	Whitehurst
Henderson	Neal	Whitten
Hicks	Nedzi	Wiggins
Hightower	Nichols	Winn
Hillis	Oberstar	Wirth
Holt	Obey	Wright
Horton	O'Brien	Yatron
Hubbard	Passman	Young, Fla.
Hughes	Pattison, N.Y.	Young, Tex.
Hungate	Paul	Zablocki
Hutchinson	Pettis	

NOT VOTING—48

Abzug	Hays, Ohio	Riegle
Badillo	Heinz	Rose
Bonker	Hinshaw	Rousselot
Burgener	Howe	Russo
Burton, Phillip	Johnson, Pa.	Sisk
Chisholm	Jones, Tenn.	Smith, Iowa
Clausen, Don H.	Landrum	Steelman
	Lehman	Steiger, Ariz.
Conlan	McCloskey	Stuckey
de la Garza	Martin	Talcott
Early	Melcher	Teague
Esch	Moorhead, Calif.	Waxman
Eshleman		Wilson, C. H.
Evins, Tenn.	Mosher	Wilson, Tex.
Fuqua	O'Neill	Wylie
Giaimo	Peyser	Young, Alaska
Green	Poage	

The Clerk announced the following pairs:

On this vote:

Mr. Phillip Burton for, with Mr. Teague against.

M. Abzug for, with Mr. Jones of Tennessee against.

Mr. Badillo for, with Mr. Rousselot against.

Mrs. Chisholm for, with Mr. Johnson of Pennsylvania against.

Mr. Lehman for, with Mr. Don H. Clausen against.

Mr. Waxman for, with Mr. Young of Alaska against.

Messrs. BROWN of California, LENT, MURPHY of New York, BEARD of Rhode Island, and BRADEMAS and Mrs. FENWICK changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to advise the Members as to what we are anticipating to do on this bill and for the balance of the day.

We will next have an amendment offered by the gentleman from Texas (Mr. PICKLE) which is a rather complex but very important amendment. It will be passed, in my view, but it will be debated thoroughly.

Then there will be an amendment offered by the gentleman from Illinois (Mr. MIKVA) which has some significant impact on crippled and retarded children. I do not know how long it will be debated. It is extremely complex. I would hope that many Members who are interested in the plight of those children would be disposed to listen to the debate and then follow their best judgment as to how to vote.

Mr. CORMAN. Mr. Chairman, at the conclusion of the Mikva amendment, I will request that the Committee rise, and we will take the two final amendments on Monday.

AMENDMENT OFFERED BY MR. PICKLE

Mr. PICKLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PICKLE: On page 21 (of H.R. 15080), after line 5, insert the following new section (and redesignate the succeeding section accordingly):

COST-OF-LIVING ADJUSTMENTS IN AMOUNT OF CERTAIN EXCLUDABLE INCOME

SEC. 18. (a) Section 1617 of the Social Security Act is amended by inserting "subsection (b) (2) (A) of section 1612," after "1611,".

(b) The amendment made by subsection (a) shall apply with respect to months after the month following the month in which this Act is enacted, so as to reflect in the benefits payable for such months under title XVI of the Social Security Act the percentage increase in benefit amounts under title II of such Act which became effective (pursuant to section 215(i) thereof) in 1976.

Mr. PICKLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment may be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKLE. Mr. Chairman, I offer an amendment to correct an inequity which occurs when a social security increase goes into effect. Because of the way a concurrent increase in social security and in the allowable SSI income level is computed, some SSI recipients are thrown over the maximum income ceiling by the social security raise and therefore become ineligible for SSI and in turn for medicaid.

A small social security increase in these instances can therefore wind up costing a person money in terms of increased medical bills. I do not think that it was the intention of the Congress to have this happen since the law already provides for the SSI income limit to rise by the same percentage as a social security increase.

The problem arises because under existing law $20 of income can be disregarded so that an individual may receive a very small SSI benefit—and be eligible for medicaid—on top of a social security benefit which is $20 larger. However, when one multiplies the SSI limit and the higher social security benefit by the same percentage to enact a raise, the social security increase may be larger than the SSI limit increase and those near the limit are thrown over the top.

My amendment would remedy this by making the $20 exempt amount increase by the same percentage that the SSI benefit increases.

Let me give a concrete example from my own State of Texas:

There a Mrs. Y was receiving a social security check of $176.80. The SSI limit in Texas at that time was $157.70, meaning that with the $20 income disallowal, Mrs. Y was close to the borderline. When the recent 6.4 percent raise went in, her social security check went up to $188.10. But the SSI income limit went up only to $167.80. Again adding the $20 income disallowal, this meant that Mrs. Y was suddenly, through no fault of her own, receiving 30 cents too much to qualify for SSI—and receive medicaid.

In fact, anyone in Texas receiving a social security check between $176.50 and $177.70 before the raise was caught in this crack and about 800 to a thousand persons were caught in our State alone.

This amendment does carry a cost to it. CBO estimates cost between $20 million and $29 million. Treasury estimate may be higher. But I hope that the Members here will realize that this is a small cost compared to the hardship not passing this amendment will work on the elderly of this country. This amendment simply corrects a computational fluke and fulfills the intent of Congress in this field. I hope you will vote for it.

Mr. VANDER JAGT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the problem that the gentleman from Texas described is a very real problem. It deals with eligibility for medicaid. The bill before us is the supplemental security income program. This is a complicated enough program without twisting it, like a pretzel, around in order to deal with a medicaid eligibility problem.

That medicaid problem should be addressed in terms of what is proper in determining eligibility for medicaid. This bill is complicated enough in itself without trying to change it and twist it to cover a problem in an entirely and totally different field.

The gentleman from Texas said it will cost some money but we should not be too worried about the cost. Yes, we should be worried about the cost, because in coming up with this $86 million in the bill, in order to stay within our budget the committee labored and gave up many things that had heart rending appeal in order that the committee might come to terms with our own budget resolution. To come in at this last moment with this amendment would throw us way over the budget resolution.

The cost in this year is $50 million, and it would cost $245 million a year in subsequent years.

We have already said "no" to many equally worthy things, so this committee and the House could stay within the terms of our own budget resolution. This would take us 25 percent over the budget resolution we set for ourselves in terms of SSI improvements

Not only would it take us over the budget resolution but also it is a pretzel-type solution to a problem, there is a much better solution to the problem, and the solution ought to be the result of committee hearings on that specific problem.

I sincerely hope this amendment is defeated.

Mr. OTTINGER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas (Mr. PICKLE) and I move to strike the requisite number of words.

Mr. Chairman, I am really amazed to hear my friend from the other side of the aisle say in effect to the people—the SSI recipients—who really are not able to make it, that we should not adopt this amendment. This SSI program is the most inflexible program and the greatest mistake we ever passed because it does not take into account of the effect on other programs or cost of living differentials. We say we will give an older person a Social Security increase and then we take it away from that person with another hand under the present operation of the law. These SSI recipients are then left unable to support themselves.

The gentleman says ineffect: "Let them eat pretzels"—similar to the infamous historic condemnation by an infamous Queen of France: "Let them eat cake." The gentleman says: "Let them eat pretzels." I do not agree that we should handle our aged blind and handicapped people in that manner.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words and I rise in support of this amendment.

The amendment does exactly what the gentlewoman from New Jersey was pointing out we ought to do with every Federal program, and that is to refrain from substantially harming people when we help them slightly.

I urge adoption of the amendment offered by the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I thank the gentleman for yielding. I will not take more than just a minute.

This is not a far out amendment. To say that it is changing and twisting the program I think is not correct. It is changing and correcting the program. It is correcting something that certainly should be readjusted.

I think everybody in the House should recognize this.

I think everybody in this House recognizes this. It is certainly germane. It is certainly the kind of amendment that should be considered. It was mentioned to us in our committee and we agreed on the wording.

Mr. Chairman, I would say one additional thing about the cost. I do not think that it goes on to the budget. It is in excess of what we started out with, but there may be other amendments where adjustments are made and the balance may even out. This does not bust the budget that much and the amount is questionable, whether it costs $30 million or up to $50 million a year. That is not a sizable amount. I think we can stand it in the bill. I think as this bill moves forward, if we need to adjust it a little, we can; but I do not have that option.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I want to commend the gentleman from Texas for bringing this to the attention of the House. I think an injustice has been done. I think an injustice should be corrected when we have the opportunity to correct it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PICKLE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MIKVA

Mr. MIKVA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MIKVA: Strike out line 24 on page 2 and all that follows down through line 17 on page 3, and insert in lieu thereof the following:

SEC. 4. (a) Section 1615 of the Social Security Act is amended to read as follows:

"REHABILITATION SERVICES FOR BLIND AND DISABLED INDIVIDUALS

"SEC. 1615. (a) In the case of any blind or disabled individual who—

"(1) has not attained age 65, and

"(2) is receiving benefits (or with respect to whom benefits are paid) under this title, the Secretary shall make provision for referral of such individual to the appropriate State agency administering the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act, or, in the case of any such individual who has not attained age 16, to the appropriate State agency administering the State plan under subsection (b) of this section for rehabilitation services under such plan, and (except in such cases as he may determine) for a review not less often than quarterly of such individual's blindness or disability and his need for and utilization of the rehabilitation services made available to him under such plan.

"(b) The Secretary shall by regulation prescribe criteria for approval of State plans for the offering of appropriate, comprehensive rehabilitative services (including social and developmental services) to blind and disabled persons who have not attained the age of 16 (hereinafter referred to as 'disabled children'). Such criteria shall include—

"(1) administration—

"(A) by the agency administering the State plan for crippled children's services under title V of this Act, or

"(B) by another agency which administers programs providing services to disabled children, and which the Governor of the State concerned has determined is capable of administering the State plan described in the first sentence of this subsection in a more efficient and effective manner than the agency described in subparagraph (A) (with the reasons for such determination being set forth in the State plan described in the first sentence of this subsection);

"(2) coordination with other agencies serving disabled children; and

"(3) establishment of an identifiable unit within such agency which shall be responsible for (A) assuring appropriate counseling for disabled children and their families, (B) establishment of an individual service plan for each child, and prompt referral to appropriate medical, educational, and social services, (C) monitoring to assure adherence to each individual service plan, and (D) provision for disabled children who are 6 years of age and under, or who require preparation to take advantage of public educational services, or of medical, social, developmental, and rehabilitative services, in all cases where such services reasonably promise to enhance the child's ability to benefit from subsequent education or training, or otherwise to enhance his opportunities for self-sufficiency or self-support as an adult.

"(c) Every individual under age 13 with respect to whom the Secretary is required to make provision for referral under subsection (a) shall accept such rehabilitation services as are made available to him under the State plan for vocational and rehabilitation services approved under the Vocational Rehabilitation Act or under subsection (b) of this section; and no such individual shall be an eligible individual or eligible spouse for purposes of this title if he refuses without good cause to accept rehabilitation services for which he is referred under subsection (a).

"(d) The Secretary is authorized to pay to the State agency administering or supervising the administration of the applicable State plan the costs incurred in the provision of rehabilitation services to individuals so referred (not including the costs of any services to which individuals have been referred under a State plan approved pursuant to subsection (b) of this section except to the extent that provision for such services is made under and in accordance with subsection (b)(3)(D)).

"(e) The Secretary shall, within 120 days after the enactment of this subsection, promulgate by regulation criteria (including medical, social, personal, educational, and other criteria) for the determination of disability in the case of persons who have not attained the age of 16."

(b) The amendment made by subsection (a) shall take effect on the first day of the second calendar month beginning after the date of the enactment of this Act.

And on page 2, strike out lines 22 and 23 and insert in lieu thereof "Referral of Blind and Disabled Individuals Under Age 16 for Appropriate Rehabilitation Services".

Mr. MIKVA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MIKVA. Mr. Chairman, my colleagues have received a strange kind of letter, a "Dear Colleague" letter in the mail yesterday or today, with a very odd coalition on it, a coalition consisting of perhaps as unusual a group as the Committee on Ways and Means has ever seen. They are as follows:

The gentleman from California (Mr. KETCHUM), the gentleman from New York (Mr. RANGEL), the gentleman from Oklahoma (Mr. JONES), the gentleman from Minnesota (Mr. FRENZEL), the gentleman from Illinois (Mr. MIKVA), the gentleman from Louisiana (Mr. WAGGONNER), the gentleman from Indiana (Mr. JACOBS), the gentleman from North Carolina (Mr. MARTIN), the gentleman from Pennsylvania (Mr. SCHNEEBELI), the gentlewoman from Kansas (Ms. KEYS), the gentleman from Wisconsin (Mr. STEIGER), and the gentleman from California (Mr. STARK).

They all sent a letter to the Members urging adoption of this amendment. I would hope that that kind of innocence by association ought to be sufficient to persuade all of us of the logic of the amendment; but let me in addition suggest that this amendment will save $37 million in the bill.

I am not normally for taking money away from crippled children and I do not think this amendment does that. This amendment represents what I hope is the kind of targeting that we will do more of in our SSI social security and welfare legislation from here on in.

Very briefly, the disagreement with the distinguished chairman of the subcommittee and those of us who support the amendment is simply this: The subcommittee and the full committee ultimately proposed a section in the bill which would provide a total of $55 million of funding for helping disabled children between 0 and 16 on a matching fund basis. That means that if the local communities and the States will pick up 50 percent of the cost, the Federal Government will provide the other 50 percent. For those over 13, we currently have in existence a program of 100-percent funding for rehabilitation of the disabled. This would provide a matching basis for those under 13.

My amendment would concentrate on that group aged 0 to 6, the most important group of disabled children, where a little help goes the furthest, because it is at a time when it makes a difference in terms of rehabilitation, and would provide 100-percent funding for that group; the bill would then leave the 6 to 16 where they are now.

Now, leaving the 6 to 16 where they are is what saves the money. It is not as heartless as it sounds, because in most, if nearly not all States, they have some kind of program operating through the schools that provides some kind of assistance for rehabilitation of disabled children. Indeed, that was the opposition some of us had to the matching grant formula. What would have happened to that whole $55 million is that it would

have gone to rehabilitation centers and local school districts to supplement the moneys already being spent, a worthy enough cause, but no new money for these children and nothing for the 0 to 6 group of children.

If any Member knows of a community or a State at this point at our history which can come up with funds for new programs, I wish he would let me know where it is, because I have several communities which would like to borrow some funds. The fact of the matter is that the States and local communities have no money to start up new programs. If we do not do this amendment, we will spend the $55 million, but no child will get any new help of any kind. If we adopt this amendment, we will spend less money, but there will be 100-percent funding for the most critically abandoned, unhelped group of disabled children in our society, that group from birth to age 6, when they get into the other programs now available. It is for that reason that we have such an unusual collection of Members supporting the amendment. I hope it will find favor with the committee.

Mr. VANDER JAGT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman who preceded me in the well, the gentleman from Illinois (Mr. MIKVA), made a statement that, "while this amendment is not quite as heartless as it seems to those children between the ages of 6 and 13," and so on. This statement that it is not quite as heartless as it seems indicates that there is some heartlessness in what this amendment does to those children between the ages of 6 and 13.

His amendment presents us with a very, very difficult decision. He made the case for the amendment in a way which I think is persuasive. I think it is desirable to target a great deal of help to children 6 and under, give them the help when they need it the most. Nevertheless, this amendment does take away help from those children between 6 and 13.

The committee bill basically gives 50-percent Federal help to disabled children aged zero through 13. The Mikva amendment gives 100-percent help to children between ages zero and 6, taking away the 50-percent help the bill gives to those children between 6 and 13. I just think this body ought to understand clearly what it is doing. It is being, as the gentleman from Illinois said, heartless to those children between the ages of 6 and 13, and it is being very much filled with heart in caring for those children between the ages of zero and 6. That is a decision I think this body will have to make for itself.

Before I yield to the gentleman from Illinois, I want to ask him, is that the proper statement of the issue before us, that this amendment changes the committee bill from giving 50-percent Federal aid to all children aged 13 and under, and instead excludes those children between the ages of 6 and 13 in order to give 100-percent Federal help to children between the ages of zero and 6? Is that not a proper statement of what the gentleman's amendment does?

Mr. MIKVA. Mr. Chairman, will my colleague yield to me?

Mr. VANDER JAGT. I am delighted to yield to the gentleman from Illinois, and again I congratulate him on a good statement on behalf of presenting us a very difficult decision which I think this body should make for itself.

Mr. MIKVA. That is a proper statement of the disagreement. The only reason I rose was to correct a little bit of the rhetoric in the gentleman's otherwise articulate and precise statement. When he suggested that it was heartless, even a little bit, I do not think it is a little bit. I think, rather, this is the distinction the gentleman is describing. How do we get the money to where it will do the most good?

I agree with the gentleman that if the amendment is not adopted, under the Committee bill the whole $55 million, the whole thing, will be eaten up for existing programs. There will not be one dime of new help for disabled children. I do not consider that a question of the gentleman being heartless or of my being heartless. I am merely asking, "How can we do it?"

Mr. VANDER JAGT. I thank the gentleman very much for clarifying the record. It is nice to hear from the other side that they do not consider us heartless. I only cited the gentleman's statement that the amendment was not quite as heartless as it seems, to direct the attention of this body to the fact that the amendment does take away some benefits to those children between 6 and 13 who would otherwise be receiving it without this amendment.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by Mr. MIKVA.

While I support the additional changes made in the bill over the existing law, it simply does not go far enough in providing benefits to disabled children 6 years of age and under.

The SSI Amendments of 1976 provide that handicapped children under the age of 13 shall be referred to the State agency responsible for the material and child health and crippled children's programs, rather than to vocational rehabilitation agencies for vocational services. The bill provides 50-percent reimbursement for States to provide these services. The criteria for the determination of disabilities of these children, remains the same as for adults. It is important to point out that children aged 6 to 13 will receive many of these services in our public school system, while children under 6, would not.

The Mikva amendment, of which I am a cosponsor, corrects these inequities. The amendment mandates HEW to promulgate specific eligibility criteria for these children. It provides for a mechanism for their referral and followup to the proper medical, rehabilitative, educational, and other necessary services and provides 100 percent, rather than 50-percent reimbursement for States to provide such services to children 6 and

The necessity for mandating early intervention cannot be overemphasized. In this way, we can insure that these disabled children have early access to a comprehensive and rehabilitative health services system. Applying the same criteria for adults to children is unfair as there is an obvious additional need for other factors beyond the medical information required for adult eligibility. Mandating a State mechanism for these preschool handicapped children will guarantee the formulation of separate referral plans, the availability and delivery of these services, and implementation of the plans. States simply cannot afford to finance 50 percent of these programs and with 100 percent full Federal reimbursement, as exists for adults, handicapped children would not receive these benefits.

The costs of full funding of preschool disabled children's program as estimated by HEW is equal to one-third of the cost of the provisions in the bill, at $55 million. This amendment would actually reduce Federal spending by treating these children at an early age and thus prevent their dependence on welfare as adults.

I urge my colleagues to support this amendment and vote in favor of the bill.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I urge my colleagues to be patient. I really would like to use most of the 5 minutes. We have expedited the handling of this bill. We have done pretty well with it. As soon as we finish with this amendment, we are going to rise and we will have the other two amendments on Monday.

Mr. Chairman, it just is not true that nothing is being done for children from 0 to 6. That is not true. In the State of California, being helped under maternal and child health programs in fiscal year 1975 are 172,000 people, and 97,000 of them are under the age of 1. Of them, 63,000 are age 1 to 4. That is a matching fund program. Under the crippled children program, in the State of California we helped 58,000 of them. Two thousand are under the age of 1, 13,000 are from 1 to 4, and 16,000 are from 5 to 10. That is a matching fund program. We are not reaching nearly as many crippled and retarded children as we should because we are not spending enough money.

It is not true to say that there will not be any money. Ninety percent of the States are now overmatching the Federal money they get. This will spend $55 million more to help those who are probably in the greatest need of all.

What are we talking about? What kind of aid? What kind of people?

Let me read one paragraph from the National Health Insurance Resource published by the Committee on Ways and Means:

State crippled children's agencies use their funds, especially in rural areas, to locate handicapped children, to provide diagnostic services, and then to see that each child gets the medical care, hospitalization, and continuing care by a variety of professional people that he needs. A little less than half of the children served have orthopedic handi-

caps; the rest include epilepsy, hearing impairment, cerebral palsy, cystic fibrosis, heart disease, and many congenital defects.

We can save $37 million with the Mikva amendment. We can make it very easy for some people in New York to have their particular projects funded by the Federal Government. We do that at the expense of many children who need services. I hope the Mikva amendment is defeated, and we will spend the money, the $55 million, to help the children across this land who need it desperately.

Mr. MIKVA. Mr. Chairman, in 1972, through the establishment of SSI, we permitted disabled income-eligible children to benefit from the program. We hoped that through early identification and intervention we could prevent childhood disabilities from becoming lifelong, irreversible handicaps. Our hopes remain unfulfilled. The lack of Federal support and specific criteria for evaluating disabled children has seriously hampered the development of programs designed to treat disabled children.

The bill reported by the committee makes some headway, but further improvements are needed. It does not provide for full Federal funding of State programs designed to treat preschool children. Under the bill, States will have to finance 50 percent of their programs designed for disabled children—programs for adults remain totally federally funded With most States facing financial difficulties Federal participation of only 50 percent means no new State programs. States simply cannot afford their share of the costs.

The amendment I, together with 11 of my colleagues on the Ways and Means Committee, offer is designed not only to correct the deficiencies in the program, but also to reduce its cost.

First, in order to reach the SSI children who need help, the amendment requires HEW to promulgate criteria for the determination of disabilities specific to children.

The amendment mandates that this criteria take into account not only the medical development of the child but also the child's social, educational, and personal development. The severity of a child's disability cannot be made strictly on the basis of his physical health. SSI eligibility determinations for disabled adults are not made strictly on this basis. An adult is considered disabled for purposes of SSI "if by reason of any medically determined physical or mental impairment—he is unable to engage in any substantial gainful activity—employment."

Since in assessing the severity of a child's disability, any standard which relates to the child's ability to engage in substantial gainful employment is inappropriate, the assessment should refer to the impact of the child's handicap on his ability to function successfully within age-appropriate expectations. The child's functional capacity within the areas of learning, language, self-help skills, mobility, and social skills are decidely more meaningful in determining both the severity of his impairment and his developmental potential.

In addition to the development of specific and standardized disability criteria for children, guidelines should be established in order to obtain the existent information, such as school records and developmental assessments, required to evaluate effectively a child's functional capacity.

We look forward to the development of these and the other guidelines required by our amendment and hope that the Office of Maternal and Child Health can complete their work with all due speed.

Second, the amendment mandates the establishment of a mechanism for disabled children, identical to that which now applies to disabled adults, for their referral and followup to appropriate medical, rehabilitative, educational, and other services. The 1972 SSI law mandates that all disabled SSI recipients be referred to the State vocational rehabilitation agency. In actual practice, only children over 13 are being so referred. While one must question the validity of vocational rehabilitation for a 13-year-old child, even more serious is the absence of any provision to deal with the service needs of children under 13. In a recent study we discovered that many children suffering from visibly severe handicaps had not been referred to a physician and, in some cases, had not seen a doctor since 1972. Even with immediate referral to medical and related services, problems remain. Especially for young chidlren, followup is critically important. Our amendment would remedy this problem.

While H.R. 8911 merely mandates the referral of children to services and only provides Federal funds for 50 percent of the administrative costs that the States would consequently incur, our amendment provides the 100-percent Federal reimbursement for these referral and followup efforts as is the case for comparable efforts on behalf of the disabled adults.

Finally, our amendment provides 100 percent Federal reimbursement for rehabilitative, developmental, and medical services to preschool children in cases where such services reasonably promise to enhance the child's ability to benefit from subsequent education or training, or otherwise to enhance his opportunities for self-sufficiency or to be self-supporting as an adult.

By preschool we mean either children under age 6 or children "who require preparation to take advantage of public educational services." The latter refers to children who are 6 years of age but are not yet in school or children who have been receiving services under this amendment and upon entering school require, for a shortwhile, follow-up or other services related to their transition from prior treatment modalaties to the services of the school.

H.R. 8911 provides Federal funding for only 50 percent of the costs of services provided to all disabled children participating in SSI. In view of the fiscal problems now facing most States, however, it appears that without additional Federal financial participation, few services would be provided. Yet H.R. 8911 calls for the mandatory referral of SSI children to services, which will greatly increase both the need and pressure for services.

Rather than establish a program that States will not be able to afford to utilize, we believe full Federal funding for preschoolers is needed. The preschool group of disabled children is most hurt by the lack of programs. School-age children receive some help through federally supported programs in their schools. Even without this bill they will continue to receive treatment. Preschool children, however, have no programs to which they can turn. By not providing total funding for disabled children, 6 years of age and under, we are losing the opportunity to provide treatment when the likelihood of success is the greatest—during the developmental years.

HEW estimates the cost of full Federal funding of preschool programs to be $18 million—less than a third of the $55 million it will cost to provide 50 percent of the funding for all child treatment programs as required by the bill. By providing full funding for those programs for which there is the greatest need, not only could we reduce Government spending in the long run by preventing disability and dependence, but also reduce actual Government outlays in the next fiscal year.

I urge my colleagues to support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MIKVA).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MIKVA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 146, not voting 66, as follows:

[Roll No. 667]

AYES—219

Addabbo	Collins, Ill.	Fraser
Ambro	Conte	Frenzel
Anderson, Ill.	Conyers	Gaydos
Andrews, N.C.	Cornell	Gibbons
Andrews, N. Dak.	Cotter	Gilman
Aspin	Crane	Ginn
Baldus	Daniel, Dan	Goodling
Baucus	Daniels, N.J.	Guyer
Beard, Tenn.	Davis	Hagedorn
Bell	Delaney	Hall, Ill.
Bergland	Dellums	Hall, Tex.
Bevill	Dent	Hamilton
Biaggi	Derrick	Hannaford
Biester	Derwinski	Harkin
Bingham	Dodd	Harris
Blouin	Downey, N.Y.	Hayes, Ind.
Boggs	Drinan	Heckler, Mass.
Boland	Duncan, Tenn.	Hefner
Bonker	Eckhardt	Helstoski
Bowen	Edwards, Calif.	Henderson
Brademas	Emery	Hicks
Breaux	Evans, Colo.	Hillis
Brinkley	Evans, Ind.	Holtzman
Brodhead	Fary	Horton
Broomfield	Fascell	Howard
Brown, Calif.	Fenwick	Hughes
Burleson, Tex.	Findley	Hyde
Burton, John	Fish	Ichord
Butler	Fisher	Jeffords
Byron	Fithian	Jenrette
Carney	Flood	Jones, N.C.
Carr	Florio	Jones, Okla.
Cleveland	Flowers	Jordan
Cochran	Foley	Karth
Cohen	Forsythe	Kasten
	Fountain	Kastenmeier

Keys	Murtha	Scheuer
Kindness	Myers, Ind.	Schneebeli
Krebs	Neal	Schroeder
Krueger	Nichols	Schulze
LaFalce	Nix	Sharp
Lagomarsino	Nolan	Shipley
Landrum	Nowak	Shuster
Leggett	Oberstar	Simon
Levitas	Obey	Slack
Lloyd, Tenn.	O'Brien	Solarz
Long, Md.	Ottinger	Spellman
Lott	Passman	Staggers
Lujan	Patten, N.J.	Stanton,
Lundine	Pattison, N.Y.	J. William
McClory	Pepper	Stanton,
McHugh	Pettis	James V.
McKinney	Pickle	Stark
Madden	Pressler	Steiger, Wis.
Madigan	Preyer	Stephens
Maguire	Pritchard	Stokes
Mahon	Quie	Studds
Mann	Railsback	Symington
Mathis	Randall	Taylor, N.C.
Metcalfe	Rangel	Thompson
Meyner	Regula	Tsongas
Mikva	Reuss	Udall
Milford	Richmond	Vanik
Miller, Calif.	Rinaldo	Vigorito
Mineta	Rodino	Waggonner
Minish	Roe	Walsh
Mink	Roncalio	Weaver
Mitchell, N.Y.	Rooney	White
Moakley	Rosenthal	Wilson, Tex.
Moffett	Rostenkowski	Wirth
Montgomery	Roush	Wolff
Moore	Santini	Yatron
Murphy, Ill.	Sarasin	Young, Ga.
Murphy, N.Y.	Sarbanes	Zablocki

NOES—146

Abdnor	Erlenborn	Natcher
Adams	Flynt	Nedzi
Alexander	Ford, Mich.	O'Hara
Allen	Ford, Tenn.	Patterson,
Anderson,	Frey	Calif.
Calif.	Goldwater	Paul
Annunzio	Gonzalez	Perkins
Archer	Gradison	Pike
Armstrong	Grassley	Price
Ashley	Gude	Rees
Bafalis	Haley	Rhodes
Bauman	Hammer-	Roberts
Bedell	schmidt	Robinson
Bennett	Hanley	Rogers
Blanchard	Harrington	Roybal
Bolling	Harsha	Runnels
Breckinridge	Hechler, W. Va.	Ruppe
Brooks	Hightower	Satterfield
Brown, Mich.	Holt	Sebelius
Brown, Ohio	Hubbard	Seiberling
Broyhill	Hungate	Shriver
Buchanan	Hutchinson	Sikes
Burke, Calif.	Jacobs	Skubitz
Burke, Fla.	Jarman	Smith, Nebr.
Burke, Mass.	Johnson, Calif.	Snyder
Burlison, Mo.	Johnson, Colo.	Spence
Carter	Kazen	Stratton
Cederberg	Kelly	Sullivan
Chappell	Kemp	Symms
Clancy	Latta	Taylor, Mo.
Clawson, Del	Lent	Thone
Clay	Lloyd, Calif.	Thornton
Collins, Tex.	Long, La.	Traxler
Conable	McCollister	Treen
Corman	McDade	Ullman
Coughlin	McDonald	Van Deerlin
D'Amours	McEwen	Vander Jagt
Daniel, R. W.	McFall	Vander Veen
Danielson	McKay	Whalen
Devine	Matsunaga	Whitehurst
Dickinson	Mazzoli	Whitten
Diggs	Meeds	Wiggins
Dingell	Michel	Wilson, C. H.
Downing, Va.	Miller, Ohio	Winn
Duncan, Oreg.	Mills	Wright
du Pont	Mitchell, Md.	Wydler
Edgar	Mollohan	Yates
Edwards, Ala.	Moss	Young, Fla.
Eilberg	Mottl	Young, Tex.
English	Myers, Pa.	

NOT VOTING—66

Abzug	Eshleman	Jones, Ala.
Ashbrook	Evins, Tenn.	Jones, Tenn.
AuCoin	Fuqua	Ketchum
Badillo	Giaimo	Koch
Beard, R.I.	Green	Lehman
Burgener	Hansen	McCloskey
Burton, Phillip	Hawkins	McCormack
Chisholm	Hays, Ohio	Martin
Clausen,	Hébert	Melcher
Don H.	Heinz	Mezvinsky
Conlan	Hinshaw	Moorhead,
de la Garza	Holland	Calif.
Early	Howe	Moorhead, Pa.
Esch	Johnson, Pa.	Morgan
Mosher	Russo	Talcott
O'Neill	Ryan	Teague
Peyser	St Germain	Wampler
Poage	Sisk	Waxman
Quillen	Smith, Iowa	Wilson, Bob
Riegle	Steed	Wylie
Risenhoover	Steelman	Young, Alaska
Rose	Steiger, Ariz.	Zeferetti
Rousselot	Stuckey	

Mrs. BOGGS, Mr. PATTEN, and Mr. CONTE changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. CORMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BERGLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8911) to amend title XVI of the Social Security Act to make needed improvements in the program of supplemental security income benefits, had come to no resolution thereon.

PROVIDING FOR FURTHER EXPENSES OF SELECT COMMITTEE ON PROFESSIONAL SPORTS

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 1408 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1408

Resolved, That for the further expenses of investigations and studies to be conducted by the Select Committee on Professional Sports acting as a whole or by subcommittee, not to exceed $30,000, including, but not limited to expenditures for the employment of clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $5,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. The chairman of the Select Committee on Professional Sports shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution are for the purpose of carrying out House Resolution 1186 and shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law, and pursuant to House Resolution 1186.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey

There was no objection.

Mr. THOMPSON. Mr. Speaker, House Resolution 1408, by the gentleman from California (Mr. SISK) and the gentleman from New York (Mr. HORTON) calls for $30,000 for the further work of the Select Committee on Professional Sports. Both the gentleman from California (Mr. SISK) and the gentleman from New York (Mr. HORTON) testified in support of the resolution before the Committee on House Administration on July 27, 1976.

The Select Committee was established on May 18, 1976, when the House passed House Resolution 1186. The purpose of the select committee is to investigate the question of stability in the operation of the four major professional sports.

In addition the select committee is to assess the need for and recommend any changes in the law pertaining to such sports. They do not, I might emphasize, have legislative jurisdiction, which would in some instances belong in the Committee on the Judiciary and in some others in the Committee on Education and Labor, since the sports are now under the National Labor Relations Act and of course there exists the question of the antitrust aspects.

The select committee did not request any funds for its initial investigations. However, its review has demonstrated a need for further study which will require some funds, in this case the very modest amount in my judgment of $30,000.

Mr. Speaker, I will move the previous question.

Mr. BAUMAN. Mr. Speaker, if the gentleman will withhold moving the previous question, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding.

When this resolution was brought up on May 18 and passed, the gentleman from Maryland asked the question of the gentleman from California (Mr. SISK) about the cost and the gentleman was assured that there would be no cost, that this was a limited investigation by a nonlegislative committee that would hold a series of hearings and conclude its work. Are we to understand by this $30,000 authorization that this is the total amount for the duration of this Congress and the committee will then expire at the time this Congress expires?

Mr. THOMPSON. The gentleman is correct.

Mr. BAUMAN. I have one further question that might better be addressed to the gentleman from New York.

Mr. THOMPSON. I would yield for purposes of debate only to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I thank the gentleman for yielding and I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, the question I would ask is why this committee is in existence. I have watched the news headlines and heard the evening sports newscasts and some people say the only reason for this committee is to bludgeon the major baseball leagues into

providing a baseball team for Washington, D.C. I question whether or not the taxpayers ought to be financing a crusade of that type through this investigating committee.

Mr. HORTON. I think that is a misapprehension, because the purpose of the committee is to take an overall look at the 4 major professional sports: football, baseball, basketball, and hockey. So far we have held 16 sessions and heard 52 witnesses, including the commissioners in each of those 4 major sports.

There is coverage of course by the local press and they are very much interested in bringing a baseball team into the Washington area, but that is not the purpose of the committee, and that is not what the committee is studying.

We have looked over the antitrust provisions and we have found there were immigration problems and we have found there were problems with respect to franchises, and there is the interest of the fans and this sort of thing. The commissioners of the four sports and those who have represented the teams and the players' representatives have indicated these oversight hearings were very good and very needed. The purpose of the hearings is not, as apparently has been depicted by the local press and news media. The basic purpose is to look at the overall problems as they relate to the sports.

Mr. BAUMAN. Mr. Speaker, if the gentleman would be good enough to yield further, may we have assurances from the gentleman from New York that the committee will end its work with this session of the Congress?

Mr. HORTON. I will assure the gentleman this committee will end its work this session. That is the purpose.

The gentleman from California (Mr. SISK), the chairman of the committee, is not here today. That is why he is not on the floor. He is not in Washington. That is why I am answering the questions as the vice chairman of the select committee.

Mr. BAUMAN. I thank the gentleman.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield for debate only to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, if I might I would like to address a question to the gentleman from New York also.

Mr. Speaker, if the gentleman will yield further, I would like to ask the gentleman from New York (Mr. HORTON), we have discussed this previously and just as a matter of record to follow up on the question of the gentleman from Maryland, not only is it the intent at the present time of the chairman to conclude whatever hearings that we are to hold, but to conclude all the business and bring an end to the life of the committee also at the end of the year; is that correct?

Mr. HORTON. Mr. Speaker, if the gentleman will yield further, I guess I cannot say it any more plainly than to say that we intend the work of the committee to be finished in this session, that it will self-destruct or end. We do not intend to ask for it to be reconstructed in the next session.

I might say in reply to the gentleman from Maryland and also the other gentleman, we do intend to have more sessions in this Congress. We do have some 15 sessions scheduled in September with some 40 witnesses to impact on the areas brought up. It is our intent to have a report and make a report to the appropriate legislative committees before we finish this session.

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just adopted (H. Res. 1408), and on those resolutions to follow.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PROVIDING ADDITIONAL FUNDS FOR THE AD HOC SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 1414 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1414

Resolved, That for the additional expenses of the ad hoc Select Committee on the Outer Continental Shelf associated with the completion of the legislative process on H.R. 6218, a bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, to protect the marine and coastal environment, to amend the Outer Continental Shelf Lands Act, and for other purposes, not to exceed $89,000 including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $18,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. The chairman of the ad hoc Select Committee on the Outer Continental Shelf shall furnish the Committee on House Administration information with respect to the use of the funds authorized by this resolution.

SEC. 3. Funds authorized by this resolution are for the purposes of carrying out House Resolution 412, and shall be expended, pursuant to regulations established by the Committee on House Administration in accordance with existing law, and pursuant to House Resolution 412.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON. Mr. Speaker, House Resolution 1414 requests that the House approve an amount of $89,000 for the Select Committee on the Outer Continental Shelf, chaired by the distinguished gentleman from New York (Mr. MURPHY).

The select committee was established on April 22, 1975, for the passage of House Resolution 412. The mandate to the select committee was to consider and report to the House on H.R. 6218, a bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

The committee's report was to have been filed on January 31, 1976; but subsequent resolutions have extended the deadline to May 4, 1976.

The additional funds have been requested so that the select committee may continue to function until the completion of the legislative process. The greatest possible efforts will have to be extended by the committee, first to help resolve substantial differences in the House and the Senate versions of the Outer Continental Shelf bill; and secondly, to provide information necessary for the consideration of a possible veto override.

The legislation became more complicated than was anticipated and more controversial. The differences between the two bodies are considerable, and without the adoption of this resolution and this modest amount of money, Mr. Speaker, the committee would be without staff with which to support itself or to represent this body in a conference with the other body.

Mr. Speaker, I will yield for debate only to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, I would just like to say that what has happened in this case is really what prompted my last question on the resolution before this, because this committee initially, we were told, was to end last January, but they did not get the legislation through. Once they got the legislation through, they had to get the conference report and instead of ending last January they went on to August and asked for additional moneys to extend their life.

I think it is necessary and I intend to support this, but that is the reason I really have serious reservation about the creation of so many of these committees and ad hoc committees.

I really think that most things could be handled under the normal standards of the House, and I would hope that in future we would be more reluctant to create special committees.

Mr. THOMPSON. I would like to assure my distingiushed colleague and ranking minority member of the Committee on House Administration that I

share his view. It is not the intention of the gentleman from New Jersey to entertain further requests for this committee, or for the Select Committee on Sports, during the balance of this Congress. I am constrained to agree in general with the gentleman that the proliferation of these types of committees is not the most desirable way, except when unusual circumstances warrant, to handle these matters. The gentleman and I will work closely together in the future to see that they are limited.

Mr. DICKINSON. If the gentleman will yield further briefly, what the membership of the House should remember and keep in mind is that when we create a special subcommittee, then we have got to have a place to house them; we have got to have furniture; we have to have mechanical equipment. They have to have extra staff. In the first place, we are short on places to house them now, and it creates additional problems. We can better be giving the subject matter to standing committees which have jurisdiction initially.

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PARTICIPATION BY COUNSEL ON BEHALF OF SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE IN ANY JUDICIAL PROCEEDING CONCERNING CERTAIN SUBPENAS

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 1420 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1420

Resolved, That the chairman of the Subcommittee on Oversight and Investigation of the Committee on Interstate and Foreign Commerce is authorized to seek to participate and to participate, by any attorney or special counsel in the employ of such subcommittee, on behalf of such subcommittee and the House of Representatives in any judicial proceeding concerning—

(1) the subpena duces tecum issued under the authority of the House of Representatives, dated June 1976; and addressed to the President of American Telephone and Telegraph Company, directing him to appear before such subcommittee on June 28, 1976, at 10 o'clock antemeridian, and to bring with him certain documents described in such subpena; or

(2) the subpena duces tecum issued under the authority of the House of Representatives, dated June 30, 1976, and addressed to the president of American Telephone and Telegraph Company, directing him to appear before such subcommittee on July 20, 1976, at 10 o'clock antemeridian, and to bring with him certain documents described in such subpena.

SEC. 2. (a) To carry out this resolution, the chairman of the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce is authorized to employ, with the approval of the Speaker, a special counsel to represent the subcommittee in any judicial proceeding described in the first section of this resolution.

(b) Expenses to employ a special counsel under subsection (a) shall be paid from the contingent fund of the House on vouchers signed by the chairman of the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce and approved by the Speaker.

SEC. 3. The Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce shall report to the House with respect to the matters covered by this resolution as soon as practicable.

Mr. THOMPSON (during the reading). Mr. Speaker, the subject matter of this resolution having been printed in the RECORD, and since it is the subject of much interest and will be debated for some time, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike all after the resolving clause and insert in lieu thereof the following:

That the Chairman of the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce is authorized to intervene and appear in the pending action entitled *"United States, plaintiff, against American Telephone and Telegraph Co., et al, defendant,"* Civil Action 76–1372, United States District Court for the District of Columbia, on behalf of the Committee on Interstate and Foreign Commerce and the House of Representatives in order to secure information relating to the privacy of telephone communications now in the possession of the American Telephone and Telegraph Company for the use of the Committee and the House.

SEC. 2. To carry out the purposes of this resolution, the Chairman of the Committee on Interstate and Foreign Commerce is authorized to employ with the approval of the Speaker a special counsel to represent the Committee and the House in all judicial proceedings relating to said Civil Action 76–1372.

SEC. 3. Such expenses to employ a special counsel not to exceed $50,000 shall be paid from the contingent fund of the House on vouchers signed by the Chairman of the Committee on Interstate and Foreign Commerce and approved by the Speaker and the Chairman of the Committee on House Administration.

SEC. 4. The Committee on Interstate and Foreign Commerce is authorized and directed to report to the House with respect to the matters covered by this resolution as soon as practicable.

SEC. 5. The authority granted herein shall expire three months after the filing of the report with the House of Representatives, but in no case later than January 3, 1977.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, House Resolution 1420, from the Committee on Interstate and Foreign Commerce, was introduced by our distinguished colleague, the gentleman from California (Mr. Moss), the chairman of the subcommittee. The gentleman from California (Mr. Moss) and the minority counsel to the Subcommittee on Oversight and Investigations, testified with respect to the resolution on July 27, 1976, before the committee. Both Mr. Moss and the ranking minority member, the distinguished gentleman from Texas (Mr. COLLINS) were present on August 4, 1976, to answer questions when the full committee finally reported the resolution.

Thereafter, I submitted report No. 94–1422. House Resolution 1420 is similar to House Resolution 899, which passed the House without debate on December 18, 1975. That resolution provided funds for intervention in the Ashland Oil case. This resolution provides funds for intervention in the case entitled the "United States against the American Telephone & Telegraph Co., and others."

The gentleman from California (Mr. Moss) intervened in a case which was before the U.S. District Court for the District of Columbia, in order that he might argue for the Congress constitutional right of access to information in question.

The committee issued a subpena in order to secure information in the possession of the American Telephone & Telegraph Co., relating to warrantless wiretaps of private telephone communications. Jurisdiction was based squarely on section 605 of the Federal Communications Act.

Essentially, the discussions revolve around the need for the House of Representatives and/or this distinguished subcommittee to be represented in the Federal courts. There was a period of negotiations with respect to this case. The committee choose to be represented by one of the most prestigious firms in the District of Columbia and, indeed, in the United States.

It is my considered opinion, having looked into this matter very carefully, that this resolution should be adopted by the House.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. Mr. Speaker, I yield 5 minutes, for purposes of debate only, to the distinguished gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. I would like to inquire of the gentleman, since this is a privileged resolution and there are 60 minutes of debate, how much will the minority be granted for discussion?

Mr. THOMPSON. Under the agreement we worked out a couple minutes ago.

Mr. DICKINSON. We did not have an agreement. The gentleman told us how much there would be. I was just trying to ascertain that as a matter of record.

Mr. THOMPSON. I thought the gentleman and I had agreed that the re-

quest for the majority was 37 minutes and for the minority 22 minutes.

Mr. DICKINSON. The gentleman told me that is how it will be.

Mr. THOMPSON. We are now using the gentleman's time.

Mr. DICKINSON. Mr. Speaker, I would like to say at this time that I have several requests for time, and if the gentleman is going to control it and handle each one individually, I would like to inform the gentleman of my requests so that the gentleman might comply with them.

Mr. THOMPSON. May I inquire of the gentleman whether they are different from the list he gave me, which is as follows: The gentleman from Ohio (Mr. DEVINE), 5 minutes; the gentleman from Alabama (Mr. DICKINSON), 5 minutes; the gentleman from Arizona (Mr. RHODES), 3 minutes; the gentleman from California (Mr. WIGGINS), 5 minutes; and others.

Mr. DICKINSON. It is different.

Mr. THOMPSON. I do not know who "others" is. But that leaves 4 minutes.

Mr. DICKINSON. The gentleman from Ohio (Mr. DEVINE) would like 3 minutes at the present time, if the gentleman would be kind enough to yield to him, and then 5 minutes for the gentleman from Texas (Mr. COLLINS) following that.

Mr. THOMPSON. That is perfectly agreeable.

Mr. DICKINSON. I thank the gentleman.

Mr. THOMPSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio (Mr. DEVINE) for the purpose of debate only.

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Speaker, this is not the normal funding resolution that we swish by the House, because we have an unusual set of circumstances.

The gentleman from California (Mr. Moss), as chairman of the Subcommittee on Oversight and Investigations, saw fit to have a subpena issued to the A.T. & T., seeking certain electronic surveillance information. The Justice Department, on behalf of the President, sought and obtained a temporary and, finally, a permanent injunction against the A.T. & T. revealing the information having to do with electronic surveillance because of very delicate, sensitive national security information that would be revealed if the subpena were granted.

The gentleman from California sought and intervened in this particular proceeding and also saw fit to employ counsel, special counsel, representing him before the U.S. district court, even though the Subcommittee on Oversight and Investigations had 11—repeat, 11—attorneys on his payroll and available, and some of whom actually appeared with him at the time he appeared in the U.S. district court.

The question is the precedent the action here might set for this House; whether one individual Member of Congress can gratuitously intervene in a proceeding, not following the procedures nor authorized by either the subcommittee or the whole Commerce Committee, in that the Member apparently did not receive the permission of the subcommittee by vote or by authorization of the whole Committee on Interstate and Foreign Commerce by vote, and causing the Congress of the United States to delve into its contingency fund and pay for special counsel that appeared for him in the court, even prior to authorization by the Committee on House Administration for this to be done.

That is the issue involved here, and I believe it is a matter the House should give very serious consideration to before we act on this particular resolution. It should be defeated soundly on its merits as well as the dangerous precedent it sets.

Mr. THOMPSON. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the subcommittee, the gentleman from California (Mr. Moss), for purposes of debate.

Mr. MOSS. Mr. Speaker, I did not intervene as anyone but JOHN Moss, a Member of Congress, and I intervened because there was no alternative to intervention.

I had negotiated in good faith with representatives of the President of the United States, at the request of the President. The President's representatives, Mr. Buchen and Mr. Marsh, came to my office upon learning of the issuance of the subpena to American Telephone and Telegraph and stated the concerns of the White House involving the possible sensitive nature of the material under subpena. I concurred in their expressed convictions that we all wanted to protect this Nation's security, and no one any more than this Member.

We commenced 5 weeks of negotiations with Mr. Rex Lee, Deputy Attorney General, and with the Congressional liaison of the Federal Bureau of Investigation, and, from my certain knowledge, with the White House being concurrently informed all the way along.

Finally we arrived at an agreement, an agreement among all parties to the negotiations. I convened the subcommittee, and the subcommittee was given the outline of the agreement as well as the substance of the agreement. The subcommittee, by a vote without any exception, concurred in my request that I be permitted to sign that agreement. The matter was then reduced to its final written draft and sent to the Department of Justice, to Mr. Rex Lee, and then we started getting some static.

Finally we were faced with the fact that the President sent Mr. George Bush to see me, and I was offered a proposal which in my judgment was demeaning to this House in the extreme. I might add that it was demeaning a few years earlier to another Member of this House, a gentleman from Michigan by the name of Gerald R. Ford.

The President said that we should receive only expurgated material, that if we had any questions, we would have to go to the Attorney General to have them resolved, and that if we could not get them resolved with the Attorney General, we should then seek the opportunity of having them resolved with the President.

The President would deny to the Congress the only information which was not prepared by him or his agents, the targets of surveillance. This target information is at the heart of any responsible review of Government wiretaps. Without this information, the Congress must rely on administration characterizations of targets as threats to national security. Clearly if the targets are news correspondents or members of opposition political parties—the information which can be obtained through the subpena in this case—those characterizations may be severely questioned and the wiretaps they support ultimately found unlawful. In other words, this information provides (i) the most direct method of ascertaining the legality of a tap and (ii) verifying other documents which may be obtained during the investigation.

My attitude toward the President's offer was very much, again, the attitude expressed by Mr. Ford, Representative Ford, when he stated that it would be ridiculous for us to put such a case in the hands of the Attorney General. Even under ideal circumstances, any Attorney General would tend to reflect the attitude of his own boss in handling any executive-privilege case.

Further, Congressman Ford, in addressing himself to the question of the invoking of executive privilege, in the instance of President Kennedy—and I agreed with him; he took the occasion, in his remarks on the floor, to commend my attitude—stated that "to maintain that the executive has the right to keep to itself information specifically sought by the representatives of the very people that the executive is supposed to serve is to espouse some power of the divine right of kings."

Mr. Speaker, Representative Ford was precisely correct when he made that statement.

Mr. Speaker, what is stated here is the assertion of executive privilege on the broadest base ever made by any occupant of the White House.

The SPEAKER. The time of the gentleman from California (Mr. Moss) has expired.

Mr. THOMPSON. Mr. Speaker, I yield 2 additional minutes to the gentleman from California (Mr. Moss), for debate only.

Mr. MOSS. Mr. Speaker, no President has ever before asserted Executive privilege over private documents against a congressional subpena. One other President has asserted Executive privilege against a congressional subpena, and that was the former President, Richard Nixon. Even in that case it was a very narrow assertion of privilege against the Senate select committee and went to matters of material held closely by the President.

Mr. Speaker, if this House concurs in the doctrine that has been asserted here without challenging it in the courts, it will make one of the gravest mistakes ever made by a parliamentary body.

This is an effort on my part to preserve the rights and the privileges of this House.

We are told that we should maintain more effective oversight. We cannot do it

under the very strict limitations of Executive will. We have to stand up and recognize that we have at least the right to the same information which is given to more than 50 employees of American Telephone & Telegraph and its 24 subsidiaries, who see these documents routinely; and they are not cleared at any level in the majority of cases.

Mr. Speaker, that is the sworn testimony of the officials of American Telephone & Telegraph.

Mr. THOMPSON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas (Mr. COLLINS), for purposes of debate only.

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, this matter that is before us today—and in this respect I do agree with the chairman of my committee—is certainly one of the most important ever to come before us here in Congress.

The reason it is so vital is because we are talking about the national security of our country.

The question that comes to the fore is to what extent Congress should involve ourselves in matters in which we do not have expertise, but which we want to make public.

Let me go back and take this particular issue as it first started.

Mr. Speaker, when this matter got started, we had a special meeting of our committee one afternoon. At that same time, Congress was in session considering the Federal energy legislation which is so very important to our entire country.

While the Committee on Interstate and Foreign Commerce was on the floor discussing Federal energy, we went ahead and held a subcommittee meeting. I did not know it was going forward. It did not last very long. There was only one member on our side who attended, and he voted "present."

I asked him, "Why did you vote present?"

He said he did not know what the issue was all about. We did not have enough advance information to know what was going into this particular subpena—this issue that is so vital and so important.

The members of our subcommittee had not even been briefed before they voted.

Mr. OTTINGER. If the gentleman will yield, that is inaccurate.

Mr. COLLINS of Texas. I am talking about a Republican. It might have been that the Democrats were briefed, but I am talking about the gentleman from Louisiana who was there.

Mr. OTTINGER. They were all briefed and all at the same time.

Mr. COLLINS of Texas. The gentleman from New York (Mr. OTTINGER) gets the information real quickly. Perhaps he was able to understand it in 10 minutes and know what it was all about. But some people on a major issue of this type, when we are talking about subpenas being served on the executive functions, need time to evaluate the facts.

The issue that is before us here is that there have been taps placed on telephones. As I understand it, about half of them are on individuals in this country, but half of them are on national security situations.

As much as I have read about electronics in the press, I thought that this thing might have involved hundreds of thousands of taps being attached, but I have found out that it only involves 1 or 2 a week out of our country that has 220 million people. I have confidence in those people to decide on those one or two national security exceptions. But what we are doing in this situation, we are making an investigation where we will even question the sensitive national security checks.

I think every Member could realize what is potentially involved, with this national security situation, where we may reveal investigations of individuals involved in foreign affairs that may be with our national interest or against us and we were trying to confirm their reliability. We had it happen in Greece and it has happened elsewhere. When individuals are publicized.

We have heard the name of George Bush. Most of the Members know him, as he was our former colleague here in the Congress. He called the chairman of our committee and asked if he could present some facts to discuss the matter. The chairman said he was dealing only with the judicial representative so that he did not have an opportunity to see him.

Mr. MOSS. Will the gentleman yield?

Mr. COLLINS of Texas. I yield to the chairman, the gentleman from California (Mr. Moss) on that point.

Mr. MOSS. This gentleman has asked that the gentleman from Texas yield only for the purpose of making the record correct.

Mr. COLLINS of Texas. Yes.

Mr. MOSS. We talked to Mr. Bush and told him that I felt it was inappropriate to meet with him without the Deputy Attorney General, Mr. Lee, who was conducting the negotiations, being present.

I saw him as soon as he brought Mr. Lee with him.

I thank the gentleman for yielding.

Mr. COLLINS of Texas. That is probably correct.

But, let me emphasize this. Mr. Bush is not questioning this in terms about what is involved in this business of going into the legislative and the judicial aspects, but the facts are that this involves a national security issue.

The agreement in our subcommittee that was being discussed was that three staff members from our committee would go down to get the records. They would take this information and write notes which in turn would be placed on record in our committee for any Member of the Congress to see.

Mr. Speaker, when we expose top, top secret information to 435 people, we are talking about putting in jeopardy the lives of individuals who might be involved on one or another telephone call. So far as any investigation that involves individuals, there has never been any fact presented that would show us that the facts justified revealing top security reviews related to foreign affairs.

The SPEAKER. The time of the gentleman has expired.

Mr. THOMPSON. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. OTTINGER) for the purpose of debate only.

Mr. OTTINGER. Mr. Speaker, I rise in strong support of House Resolution 1420 authorizing funds to intervene and seek counsel in the case of United States against American Telephone & Telegraph Co., et al.

Too many sins have been committed too recently in the name of national security and under the pretext of the supposed power of executive privilege to permit the assertion of such a privilege here.

This is particularly so since it is not even the President asserting such a privilege for himself here, but on behalf of a private company supposedly acting as his agent. It is outrageous that thousands of A.T. & T. employees, with no security clearance, should have access to this material while a committee of Congress is denied.

Mr. Speaker, we should support this resolution because we support the Constitution of the United States and the powers and duties of Congress thereto. Inherent in the power to legislate is the power and the duty to investigate. Without oversight and investigations, Congress cannot act in an informed and effective manner.

In this litigation, President Ford seeks to deny essential information on domestic wiretaps to a subcommittee with clear jurisdiction over interstate communications. Without this information, the Committee on Interstate and Foreign Commerce cannot report informed remedial legislation to the House or effectively address recurring rumors of illegal wiretaps of our citizens.

The doctrine employed by the President to deny this information to the Congress is one which we have sadly seen before—executive privilege. Employed by President Nixon to cover up apparent illegality, this doctrine is pernicious. Its unrestrained use would allow the Executive to spoon-feed information to the Congress. This is a result which this House must not—cannot—accept.

Even Gerald Ford when he was a Member of this House understood the dangers of executive privilege. He was vocal in defending the investigative powers of Congress against encroachment from the President. As the ranking Republican member of an Appropriations Subcommittee seeking to obtain a then secret report on the ill-fated Bay of Pigs invasion prepared for President Kennedy, Gerald Ford took a position 180° from the one he holds today. Congressman Ford said:

> The incident was another of a long series of executive department claims of special privileges: in a frightening proportion of these cases, the claim was made to cover up dishonesty, stupidity, and failure of all kinds.
>
> To maintain that the Executive has the right to keep to itself information specifi-

cally sought by the representatives of the very people the Executive is supposed to serve is to espouse some power akin to the divine right of kings.

Said Congressman Ford, adding:

The basic issue of congressional access to executive information is far more important than fanning partisan flames. I need only remind you of the important work in this field done by . . . the gentleman from California (Mr. Moss). . . . There are even examples of both Democrats and Republicans who argued on one side of the issue when they served in Congress and on the other side when they served in the executive branch.

Those words of former Congressman Gerald Ford are as true today as they were then. The House must confront this dangerous doctrine in the courts or allow itself to be bound by a pernicious precedent.

I urge your support for House Resolution 1420 and the constitutional powers of the House which it will defend.

Mr. Speaker, I ask unanimous consent to include in the RECORD at this time two excellent articles of the New York Times, one by Tom Wicker entitled, "Hangover From Watergate," the other an editorial on Tuesday, August 10, entitled "Again That Privilege" which supports this subpena with great force and eloquence.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The articles are as follows:

HANGOVER FROM WATERGATE

(By Tom Wicker)

After President Ford abandoned his opposition to a special prosecutor to investigate wrongdoing within the Government, the Senate included such an office in its Watergate reform bill. But Mr. Ford isn't showing much interest in acting on his own to curb executive excesses or clean up past offenses.

He recently ordered the Justice Department, for example, to go into court for a restraining order against a House subcommittee's attempt to obtain Federal wiretap records from American Telephone and Telegraph Company. Mr. Ford contended that it would be an "unacceptable risk" to the national security to let the subcommittee have the records it had subpoenaed from A.T.&T.

It may be true that the House in the past has not been sufficiently scrupulous in maintaining the security of sensitive documents, and the Administration's concern may therefore be reasonable. Yet, how is Congress to operate as a real check on the Executive if the President can nullify a Congressional subpoena with a claim of national security.

Judge Oliver Gasch, who issued the temporary order, has the matter under advisement and may yet rule in favor of the subcommittee. But with the echoes of Watergate scarcely faded from the Washington air, Mr. Ford would have acted more reassuringly if he had sought some security arrangement with the subcommittee chairman, Representative Moss of California, rather than going into court to protect executive branch secrets.

By doing so, as subcommittee lawyers pointed out, he ranked duly elected members of Congress as less trustworthy than Justice Department officials, Federal Bureau of Investigation agents and the large number of A.T.&T. employees who have seen the secret documents. He also raised the question whether there may not be more to hide than "national security" information in the wiretap records.

Nor is this the only instance in which an executive branch "cover-up" might at least be suspected. A Justice Department official recently told The New York Tmes that the depatrment's lawyers had recommended against the prosecution of Central Intelligence Agency officials involved in the illegal opening of mail between the United States and Communist countries.

Opening mail, by the C.I.A. or anyone else, was clearly against the law throughout the 20-year period when the agency engaged in the practice. Yet, the Justice official explained, the department's lawyers had concluded that during all that time there had been "a continuum of Presidential authority" that had made the C.I.A. mail openings legal after all.

But since when have Presidents been able to make legal what the law says is illegal, by a continuum or any other kind of authority? And even if there were some such power inherent in the office, what about the report of the Senate Select Committee on Intelligence that it had found no documentary evidence that any President had "authorized" the mail openings?

Aside from these questions, however, why should the Justice Department take it upon itself to decide such matters? There is ample evidence that the mail openings took place, against the statutory law. That seems reason enough to prosecute those responsible, and if the defendants wanted to claim a "continuum of Presidential authority" as a defense, the courts could decide the validity of such a claim.

Justice Department lawyers already have recommended to Attorney General Levi that no indictments be sought as a result of C.I.A. assassination plots against Fidel Castro of Cuba and the late Patrice Lumumba of, then, the Congo. Nor does it appear that perjury action will be taken against the former C.I.A. director, Richard Helms for his questionable statements to Congress on the agency's involvements in Chile.

If no evidence of legal offenses in these cases exists, of course, there should be no prosecutions. But it is hard to see how that could be so, at least in the mail-opening matter. And if such evidence does exist—no matter what exculpatory theories the defendants might offer in court—no special prosecutor ought to be needed to order indictments.

Mr. Ford's sudden switch to support of a special prosecutor may have represented a sincere change of heart. But it may also have reflected the Democrats' recent show of interest in Watergate as an issue against him. In either case, action by Mr. Ford's own Administration would speak louder than any number of words from him.

AGAIN THAT "PRIVILEGE"

Once again the magic phrases "executive privilege" and "national security" are being invoked by the White House in a court effort to withhold wiretap data from a Congressional oversight committee.

At issue is an outstanding subpoena served on the American Telephone and Telegraph Company by the House Subcommittee of Oversight and Investigations, seeking records of national security wiretaps over recent years. The subcommittee wants to ascertain that these taps genuinely relate to foreign intelligence missions and not illegal domestic surveillance. The Administration obtained a District Court order blocking enforcement of the subpoenas last week; the subcommittee is appealing and the case, if not settled by new negotiations, will almost certainly end up in the Supreme Court.

An interesting twist in the arguments is the Administration's contention that executive privilege can be invoked over the acts of third parties outside the Government—in this instance, the telephone company—on grounds that they were acting as executive branch agents in the technical installation of taps.

Data of the sort under subpoena is indeed sensitive as the Administration claims, involving crucially important counter-intelligence operations. Yet after all that has come to light about recent abuses, responsible Congressional investigators cannot simply accept without verification the word of the executive branch that everything was done in accordance with the law. And certainly a sweeping assertion of executive privilege cannot be allowed to stand without challenge.

As one Representative said in a noteworthy Congressional statement on executive privilege, "In a frightening proportion of these cases, the claim was made to cover up dishonesty, stupidity and failure of all kinds." That point was made on April 4, 1963 by the Representative from Michigan's fifth district, Gerald R. Ford.

The most sensible way out of this impasse is not through another court fight on the murky battlefield on executive privilege, but through renewed consultation between the subcommittee and the executive branch, both of which have legitimate interests to protect. The executive needs careful assurances that sensitive intelligence data will not become available to unauthorized persons; Congress needs the facility to exercise its oversight responsibilities upon otherwise unchecked executive actions.

The SPEAKER. The time of the gentleman has expired.

Mr. THOMPSON. Mr. Speaker, I yield such time as he may consume to the gentleman from New York, Mr. SCHEUER, for the purpose of debate only.

Mr. SCHEUER. Mr. Speaker, this resolution will allow the House to intervene and obtain counsel in the case of *United States* v. *American Telephone and Telegraph Company, et al.*, Civil Action No. 76–L372. The history and general importance of this case are detailed in the report of the House Administration Committee.

At issue is whether the executive branch can preclude the Committee on Interstate and Foreign Commerce through its investigations subcommittee from reviewing the administration of laws within its jurisdiction. That committee reported to the House what became section 605 of the Federal Communications Act of 1934, 47 United States Code 605. Modeled upon provisions of the Radio Act of 1927, also reported by that committee, this section prohibits wiretapping of telephones absent "demand of * * * lawful authority."

The committee seeks to determine whether widespread allegations of electronic surveillance of private citizens in violation of section 605 are based on fact. Upon the results of this investigation will rest the ability of that committee to report informed remedial legislation to the House or assure the American people that the reports of illegal wiretaps attendant upon the Watergate scandal are groundless.

The power and duty of the Committee on Interstate and Foreign Commerce to engage in such an investigation through

its subcommittees is firmly grounded in the rules of the House, the Legislative Reorganization Act, and the Constitution. The President is attempting to block that committee from discharging its responsibilities by asserting a claim of an almost imperial privilege from congressional review.

Going far beyond the limited advice privilege which received recognition in *United States* v. *Nixon*, 418 U.S. 673, the President seeks to preclude on this basis congressional review of his actions. President Ford has put forth the novel agency theory that executive privilege can cover not only his conversations with White House advisers, but also put the cloak of secrecy over the activities of a private party, the American Telephone & Telegraph Co.

If these assertions stand, the Congress could be severely affected in its ability to review Presidential actions. President Ford's asserted privilege would create an exclusive, unreviewable preserve of executive power. Such exclusive power is anathema to our constitutional system of checks and balances.

The Supreme Court has repeatedly defended the power of the people's representatives to inquire in a long series of cases from 1971 to 1975. The power to probe is an essential condition precedent to the proper and informed use of Congress powers to legislate.

For the Committee on Interstate and Foreign Commerce and the Congress, the implications of President Ford's asserted privilege are dramatic. If such a privilege applies to domestic communications, it would apply to a review of any regulatory measure passed by the Congress on the basis of any of the powers enumerated in article I of the Constitution. Such crippling limitations on Congress investigatory powers are possible if the House does not approve House Resolution 1420.

I hope you will stand with me in supporting House Resolution 1420.

Mr. THOMPSON. Mr. Speaker, I yield 2 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES) for purposes of debate only.

Mr. RHODES. Mr. Speaker, I hope that this resolution will not be adopted. I recognize and I uphold the right of the House of Representatives and the Senate to acquire information from the Executive which is needed. I really do not know why—and I would like to have speakers who come after me address themselves to this—it is necessary to know whose messages were tapped. Is it not more important in preparing legislation, which, after all, is the reason for investigation, to know the purpose for the taps? I certainly have no doubt but that that purpose can be determined and in fact, probably has been determined.

I think it is also important to recall that the President of the United States is the one person who must be trusted. When we come to whether or not a matter which is of national security importance should be divulged, we have to trust somebody. I have served under Democratic and Republican presidents, and I have always trusted them on national security matters. I think it is important that when the President of the United States says that it is important for national security that these taps not be disclosed, that we should take him at his word, and should not proceed, as this subcommittee desires to proceed, to press the matter any farther.

As I say, I will certainly do all I can to uphold the right of this Congress for any information which is necessary for the production of legislation. This, I submit is not. The information which is necessary for the preparation of legislation, if there is any, can be obtained and will be furnished, but I do not think this is the time to make like a bunch of busybodies and, for some reason I cannot perceive to try to get information which the President of the United States says would not be in the national interest.

I hope, Mr. Speaker, this resolution will be voted down.

Mr. THOMPSON. Mr. Speaker, for purposes of debate only, I yield 3 minutes to my distinguished colleague, the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. Mr. Speaker, I rise in support of House Resolution 1420, which will further efforts by the Subcommittee on Oversight and Investigations to discover the extent of illegal domestic wiretapping of American citizens by Federal law enforcement authorities.

As chairman of the Communications Subcommittee, I fully realize the importance that Americans attach to the privacy of their telephone calls. There are reasonable grounds for suspecting that the executive branch subordinated this right of privacy to bureaucratic and possibly political goals. It is important that the extent to which this occurred in the past be known, and appropriate measures be taken by the Communications Subcommittee, if necessary, to prevent future abuse.

What we have seen is a sweeping and expanded assertion of Executive Privilege, with dimensions far beyond any similar claim in our history. This is not a limited claim of privilege over communication between the President and his advisers, but one intended to prevent congressional review of his actions. This is not a claim of privilege by the President over his material or material in his possession, but is one asserted on behalf of private documents in the custody of A.T. & T., a private, regulated communications carrier. The danger of allowing such a sweeping claim to stand is obvious. It is one that must not be permitted to stand, if this body is to continue the exercise of its constitutional responsibilities.

Mr. THOMPSON. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, we are faced with I think a very important question today in this particular privileged resolution. I think we are faced with a series of important questions.

One of those important questions is whether this is the proper procedure, with no amendments and very limited debate in which to discuss this kind of important question.

I suspect that an even more important aspect of the whole problem is whether this House should ratify the use of outside counsel by a Member at his request which was not approved by his committee or subcommittee, and was apparently undertaken principally on his own motion—at least that was his statement to the House.

But I think there is another matter that should interest the House just as much. In testimony before the House Administration Committee the chairman of the Subcommittee on Interstate and Foreign Commerce indicated he had on his staff 11 lawyers and he indicated that his budget for the year was about $850,000. Today he informs me that he has 10 lawyers and a budget of $725,000. Yet with that enormous budget and with that vast staff of lawyers—and I would like to say in my town a staff of 11 lawyers is a pretty good-sized law firm.

Mr. MOSS. Mr. Speaker, will the gentleman yield for a correction?

Mr. FRENZEL. I think the gentleman has had a lot of time. Maybe he can correct on somebody else's time later. I do not yield.

With all that vast staff, apparently the subcommittee is not able to defend itself in court.

Now, I have heard about staff members that cannot answer telephones, but I certainly hope that staff lawyers are at least able to go into court and do the job they are hired for by the Congress.

So I would say, first of all, the request in the resolution is unnecessary. The subcommittee is possessed of vast resources sufficient to carry out this adventure.

Now, another question is that the purpose of the resolution is unworthy, because it is putting the House into confrontation with the Executive when that confrontation is totally unnecessary.

Mr. Speaker, I am going to read a Washington Post editorial from the 19th of this month. All of us have probably read it, so I will read only a part, as follows:

> Rep. Moss is appealing the decision with the fervor that he usually brings to such disputes. The AT&T subpoena is not, however, the best ground on which to wage a full-scale court test of executive privilege. Instead of continuing to press for documents of somewhat marginal importance, the panel should reopen direct negotiations with the President.

That, of course, is what the President suggested in the letter.

Mr. Speaker, there is a better way to deal with the problem. We do not have to go into an immediate crisis confrontation. We especially do not have to go into that confrontation with $50,000 of the taxpayers' money when the subcommittee already has something like three-

quarters of a million dollars of that kind of funds already available to itself.

Finally, Mr. Speaker, I think we have to ask the question as to why the matter did not come through the usual channels, why it was not approved by the full committee. It seems to me it is a question of one Member hiring outside counsel, attempting to make a contract with outside counsel without going through that committee or without coming to the contract subcommittee of the Committee on House Administration. The question is why we are being asked to subvert the normal procedure.

Mr. Speaker, what we are doing here, I think, is simply using an excuse to start a fight with the Executive, which is totally unnecessary, based on the Executive's letter to the subcommittee chairman and to the chairman of the full committee.

There is a way to resolve the question without going to the mat and without this needless expenditure of the taxpayers' money.

Mr. Speaker, I hope the House will reject this resolution.

Mr. THOMPSON. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. ECKHARDT) for purposes of debate only.

Mr. ECKHARDT. Mr. Speaker, I think that this question has been made a good deal more complicated in the debate than it really is. The question here is whether or not the real parties in interest will be in a lawsuit which involves a constitutional question of Executive privilege and division of powers.

Mr. Speaker, presently the only parties in the case, other than the personal intervenor, John Moss, are what is called the United States and A.T. & T., but the "United States" is President Gerald Ford against A.T. & T.

The essence of a lawsuit is the difference between the parties involved. There should be parties that are antagonistic to each other, in order that all the points be brought up; but in the letter of Presiden Ford to the chairman, the gentleman from West Virginia (Mr. STAGGERS), he said:

To secure these services,—

That is, the electronic surveillance involved—

the Executive Branch has supplied to the American Telephone and Telegraph Company sensitive national security information with the understanding that such information would not be disclosed except to the extent necessary to provide the required services.

So the President was affording to A.T. & T. access to sensitive information that he does not want Congress to see.

Then he further says:

In receiving, acting upon and retaining this information, the American Telephone and Telegraph Company was and is an agent of the United States acting under contract with the Executive Branch.

So we have got the principal suing the agent to determine whether or not Congress has the right to get this information. Now, how in such a lawsuit do we have the adversary parties that are necessary in order that the case for the Congress of the United States is presented? We have before the court the principal and the agent. We have President Ford and A.T. & T., which he entrusted and empowered to be his agent, as the two parties who are in the positions of the principal adversaries.

They are going to present the case to the court so that it may decide whether or not Congress should be permitted to have the information. Is that a lawsuit? Are there real adversary parties in that lawsuit? The only way that the real adversary parties can be placed in that lawsuit is by the passage of this resolution. This resolution will not determine that Congress is entitled to have the information, but it will let Congress make its case to the court. The court will make the determination.

I wish I could appeal to Members across the aisle. I do not think this is a question for partisanship. I think this is an institutional matter: that House of Representatives should be represented in a suit in which Congress powers and those of the President are centrally involved.

Mr. THOMPSON. Mr. Speaker, I yield 3 minutes for the purpose of debate only to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Speaker, if we follow the arguments of the gentleman from Texas to their logical conclusion, what we are going to have to do is have some equitable split of this $50,000 here to those who may feel one way and to those who may feel another way.

Mr. Speaker, the argument has been made—and it is true—that there has been no vote of the full committee or the subcommittee on the decision to seek outside counsel or to seek this extra appropriation in order to pay for that outside counsel. I also make the argument, Mr. Speaker, that the subpenas that were issued to A.T. & T. were not issued according to the rules of the House.

Mr. Speaker, under rule XI(2)(m)(2)(a), I read very clearly that:

Subpenas may be issued when authorized by the majority of the members of the committee.

This subpena was authorized by a majority of the subcommittee and not by the full committee. A close reading of this rule of the House leads me to the conclusion that this rule means that a full committee of the House of Representatives must authorize a subpena, and not a subcommittee. A subcommittee can perform the ministerial duty or function of issuing or serving the subpena, but it takes a vote of the full committee in order to authorize a subpena. This was not done in this case.

Not only was the subpena not issued, in my judgment, according to the rules of the House, but also the full committee and the subcommittee in no way had any say or took action on the seeking of outside counsel or securing this appropriation.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Texas.

Mr. ECKHARDT. Is that not the very reason why we should not now authorize Congress, the real adversary party, to join the suit?

Mr. BROYHILL. No; I say that the procedures have not been followed, and that we should turn down this request for this money at this time.

Mr. Speaker, rule XI 2(m)(2)(A) of the House Rules states as follows:

Subpoenas may be issued by a Committee or Subcommittee under subparagraph (1)(B) in the conduct of any investigation or activity or series of investigations or activities only when authorized by the majority of the members of the Committee and authorized subpoenas shall be signed by the chairman of the Committee or any member designated by the Committee.

A close reading of this section leads me to the conclusion that this rule means that the full committee or a subcommittee can perform the ministerial function of issuing and serving a subpena, but the full committee must vote to authorize the subpena. As you will note, the word "subcommittee" is conspicuous by its absence in that part of the above-cited rule that deals with authorization as opposed to issuance.

As a general proposition of statutory interpretation, when a term, phrase, or word, such as "subcommittee" is used in one place and omitted in another place in a rule or statute, the omission should be deemed to have been made for a purpose. As an example of the distinction that I make between ministerial acts of issuance and the responsibility for authorization of the issuance of subpenas, I call to your attention the case of *Shelton* v. *United States*, 327 F. 2d 601 (1963). In this case, which involved the Senate Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws, the Senate rule at issue specified that subpenas for the attendance of witnesses shall be issued by the subcommittee chairman or by any other member of the subcommittee designated by him. The Court held that this particular language, which is similar to the language in House Rule XI2(m)(2)(A), concerned the ministerial functions of issuance of a subpena, not authorization and the Court further held that the subcommittee, and not the subcommittee chairman, was the only body that could authorize subpenas. Issuance then is ministerial, to be differentiated from authorization. It would appear that the House rules do give to the subcommittee the ministerial function of issuing the subpoena, but the authorization should come via a vote of the subcommittee and full committee. Some would argue that rule XI2(m)(1)(B), which provides that any committee or any subcommittee thereof is authorized "to require by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers and documents as it deems necessary" gives a subcommittee the power to authorize a subpena. This

authorization language in rule XI2(m)(1)(B), however, is made subject, by its own language, to the provisions of rule XI2(m)(2)(A), quoted above, which calls for a full committee vote in order to authorize a subpena. Thus, it would appear to me that the proper procedure to be followed is as follows: First, a vote by the subcommittee in favor of authorizing subpenas; second, a vote by the full committee authorizing the issuance of the subpena; and third, the issuance of the subpena by either the subcommitee or the full committee—the ministerial act.

It would be my opinion that this subpena was not issued in compliance with the rules of the House, which delineate the procedures to be utilized in the issuance of a subpena in that subpenas were issued without the benefit of a vote by the full committee.

Mr. THOMPSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Connecticut (Mr. MOFFETT) for the purpose of debate only.

Mr. MOFFETT. Mr. Speaker, we all know where this institution stands in the public opinion polls. Some of it is justified and some of it is not, but we do know that its public approval rating in recent years was highest when it aggressively challenged the Executive trampling of individual rights. During Watergate, this Congress received high marks from the public. Now, we are at the bottom of the barrel again.

That should tell us something about our shortcomings, our lack of vigilance and our lack of aggressiveness in protecting the public, and the lack of integrity of the legislative branch of the Government.

Mr. Speaker, I have sat here today and listened to the gentleman from Minnesota talk about the need to go back into negotiations. The fact of the matter is that the President cut off negotiations to go to court. I have heard my good friend from Texas (Mr. COLLINS) talk about the "present" vote by the lone Republican when we issued the subpenas, but he did not mention the fact that Messrs. COLLINS, LENT and MOORE were also present when we had a unanimous-consent request to go forward with the agreement that had been supposedly endorsed by Mr. Buchen and Mr. Marsh of the White House. We had more consent on that issue than on any other issue.

I heard the distinguished minority leader, the gentleman from Arizona (Mr. RHODES) talk about the Congress being what he calls "busybodies" by challenging the Executive. I remember very clearly, as a private citizen in 1974, watching some Members of this House on TV, watching some stonewalling going on in that Congress.

I remember running not on the Watergate issue but winning by a substantial margin, as did many people on this side, largely because the American public, in November 1974, rejected stonewalling. It is disgusting to see it being put forth here again today.

Mr. Speaker, I urge the adoption of this resolution.

CALL OF THE HOUSE

Mr. COLLINS of Texas. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 668]

Abdnor	Green	Neal
Abzug	Hall, Tex.	Nix
Adams	Hannaford	O'Neill
Addabbo	Hansen	Patterson,
Alexander	Harsha	Calif.
Anderson, Ill.	Hawkins	Pepper
Andrews, N.C.	Hays, Ohio	Peyser
Andrews,	Hébert	Poage
N. Dak.	Heinz	Pressler
Ashbrook	Hightower	Quillen
AuCoin	Hinshaw	Regula
Badillo	Holland	Riegle
Beard, R.I.	Howe	Risenhoover
Bell	Jarman	Roberts
Bonker	Johnson, Colo.	Rose
Broomfield	Johnson, Pa.	Rousselot
Burgener	Jones, Ala.	Roybal
Burke, Fla.	Jones, Tenn.	Russo
Burton, John	Kastenmeier	St Germain
Burton, Phillip	Ketchum	Schneebeli
Byron	Koch	Sikes
Chisholm	LaFalce	Sisk
Clausen,	Landrum	Smith, Iowa
Don H.	Latta	Steed
Clay	Lehman	Steelman
Cochran	Long, Md.	Steiger, Ariz.
Collins, Ill.	McCloskey	Stephens
Conlan	McCollister	Stuckey
Conyers	McCormack	Talcott
de la Garza	McKinney	Teague
Derwinski	Martin	Traxler
Diggs	Mathis	Udall
Drinan	Melcher	Ullman
Duncan, Oreg.	Mezvinsky	Vander Jagt
du Pont	Mikva	Wampler
Early	Moore	Waxman
Edwards, Calif.	Moorhead,	Wilson, Bob
Esch	Calif.	Wilson, C. H.
Eshleman	Moorhead, Pa.	Wright
Evins, Tenn.	Morgan	Wylie
Ford, Tenn.	Mosher	Young, Alaska
Fraser	Moss	Zeferetti
Fuqua	Mottl	
Giaimo	Murphy, N.Y.	

The SPEAKER pro tempore (Mr. McFALL). On this rollcall 305 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispersed with.

AUTHORIZING PARTICIPATION BY COUNSEL ON BEHALF OF SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE IN ANY JUDICIAL PROCEEDING CONCERNING CERTAIN SUBPENAS

Mr. THOMPSON. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama, the ranking minority Member, Mr. DICKINSON, for the purpose of debate only.

Mr. DICKINSON. Mr. Speaker and Members of the House, let me say first of all that I do not disagree with the principle that the House should be allowed, or be in the position, or have the authority to subpena records. But whether they have the constitutional right to do so, is a red herring that has been dragged across the path of the House so as to divert us from what we are discussing. What we are discussing here is the question whether a subcommittee chairman who is not authorized by a vote of the subcommittee, who is not authorized by a vote of the full committee, can come to the House and get $50,000 to hire a special counsel to intervene in a lawsuit when they already have some 11 lawyers on their staff at an annual payroll of over $266,000. Yet he comes in and wants us to give him $50,000 more. And for what? If the lawyers he presently has cannot produce, then he had better get other lawyers.

As a matter of fact, Mr. Speaker, he does have a lawyer on his staff who did, in fact, appear, and who did, in fact, argue the case, Michael R. Lemov, who was a former attorney with the Department of Justice, Civil Division. That is exactly where this suit is.

Why should this House give any one subcommittee chairman $50,000 to go out and intervene in a suit when his own subcommittee has $850,000 annual budget to hire whom they want to? They already have 11 lawyers. They have never come before our committee yet in the 12 years I have been there and asked for additional money, if they did not have it, where they did not get it?

The point is, Mr. Speaker, even our own committee circumvented its own rules. We have a Committee on Contracts, to review contracts, and our chairman admitted that it was an unusual procedure and in the future he would not circumvent our own subcommittee. But in this case, because of the press of time, we would not even take it up within our own subcommittee. So on an almost straight party-line vote, with one Democrat joining the Republicans, it was voted out of our committee.

The point is not whether or not we should be able to subpena, or whether or not this is a constitutional issue. The point is does this committee want to authorize any committee chairman to go out and intervene as an individual, or as subcommittee chairman, without the authority of any subcommittee or any full committee, and give him $50,000 to do it? I think the answer is no, and I certainly hope we defeat this resolution.

Mr. Speaker, I yield back the remainder of my time.

Mr. THOMPSON. Mr. Speaker, I thank the distinguished ranking Member for his most empressive remarks, with which I do not agree, except that I am inclined to express my gratitude to him for yielding back the remainder of his time.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. MAGUIRE. Mr. Speaker, I rise in support of House Resolution 1420.

I think it is important for all of us to focus on the constitutional implications of this case.

The doctrine of separation of powers and the doctrine of checks and balances requires that the legislative branch have complete access to such information. The father of the separation of powers doctrine, Montesquieu, stated unequivocally that the legislature "has the right, and ought to have the means of examining in what manner its laws have been executed." In analyzing Montesquieu's work, Justice Holmes argued that it is "a basic value in the separation of powers that ultimate surveillance should rest in the legislature."

The Supreme Court has repeatedly defended the power of the people's representatives to inquire. In the leading case of *McGrain* v. *Daugherty*, 273, U.S. 135, the court stated that "the power of inquiry—with process to enforce it—is an essential * * * auxiliary to the legislative function." In *Watkins* v. *United States*, 354 U.S. 178, the court said:

> The power of the Congress to conduct investigations is inherent in the legislative process. That power is broad. It encompasses inquiries concerning the administration of existing laws as well as proposed or possibly needed statutes. . . . It comprehends probes into departments of the Federal Government to expose corruption, inefficiency or waste.

In the most recent case, *Eastland* v. *United States Servicemen's Funds*, 421 U.S. 491, the court stated unequivocally that "the power to investigate is inherent in the power to make laws. * * *"

The President's assertions in the pending case of United States against American Telephone and Telegraph Co., et al., directly threaten the power of the legislative branch to inquire by wrapping a broad class of information in the cloak of "Executive privilege." If the Executive can preclude the Congress from gaining essential information through this means, the Executive makes meaningless, to the extent of the asserted privilege, the power of Congress to check Executive abuse of power.

If the Congress cannot know, it cannot act in an informed manner to enact remedial legislation. If these checks are breached, then the constitutional system whose "constant aim" according to Madison in the Federalist Papers, is "to divide and arrange the several offices in such a manner as that each may be a check on the other" is itself breached.

The President seeks to dismantle these constitutional principles because he questions the ability of the Congress to handle any sensitive material in a responsible manner. I am, as we all should be, offended by such an assertion. It is one which lacks completely any basis in fact. The Subcommittee on Oversight and Investigations has an unblemished security record in its handling of over one-half million sensitive documents.

The security procedures employed by the subcommittee are as strict as can be developed. All such documents are stored in safes and may be seen only by members of the subcommittee and the subcommittee staff, and then only with an elaborate checkout system. These documents were received, as will those of A.T. & T., in executive session under rule II of our rules, and as you know may be released only by a majority vote of the committee.

The subcommittee negotiated an agreement with the executive branch whereby only three top security cleared members of the subcommittee staff would be allowed to see names of wiretap targets for verification. This was refused by the White House.

The procedures established by this body and the Subcommittee on Oversight and Investigations insure that the subcommittee is at least as able as the Executive or the telephone company—which gives access to the subpenaed material to some personnel who possess no security clearance whatsoever—to safeguard this information. The President must not be allowed to perpetuate the false notion that we are any less than equally responsible in handling sensitive information we receive.

I urge an aye vote on House Resolution 1420.

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER. The question is on the resolution, as amended.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DICKINSON. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 180, noes 143, not voting 108, as follows:

[Roll No. 669]

AYES—180

Adams	Downey, N.Y.	Kastenmeier
Allen	Drinan	Keys
Ambro	Eckhardt	Krebs
Anderson, Calif.	Edgar	Krueger
Andrews, N.C.	Edwards, Calif.	LaFalce
Annunzio	Eilberg	Leggett
Ashley	Evans, Colo.	Lloyd, Calif.
Aspin	Evans, Ind.	Long, La.
Baldus	Fary	Long, Md.
Baucus	Fascell	Lundine
Bedell	Fenwick	McFall
Bergland	Fisher	McHugh
Biaggi	Fithian	McKay
Bingham	Flood	Madden
Blanchard	Florio	Maguire
Blouin	Foley	Matsunaga
Boggs	Ford, Mich.	Mazzoli
Boland	Fountain	Meeds
Bolling	Fraser	Metcalfe
Brademas	Gaydos	Meyner
Brodhead	Gibbons	Mikva
Brooks	Gonzalez	Miller, Calif.
Brown, Calif.	Gude	Mills
Burke, Calif.	Hall, Ill.	Mineta
Carney	Hamilton	Minish
Carr	Harkin	Mink
Collins, Ill.	Harris	Mitchell, Md.
Corman	Hayes, Ind.	Moffett
Cornell	Hechler, W. Va.	Moss
Cotter	Heckler, Mass.	Murphy, Ill.
D'Amours	Helstoski	Murphy, N.Y.
Daniels, N.J.	Hicks	Murtha
Danielson	Holtzman	Neal
Davis	Howard	Nolan
Delaney	Hubbard	Nowak
Dellums	Hughes	Oberstar
Dent	Hungate	Obey
Derrick	Ichord	O'Hara
Diggs	Jacobs	Ottinger
Dingell	Jenrette	Passman
Dodd	Johnson, Calif.	Patterson, Calif.
Pattison, N.Y.	Ryan	Thompson
Perkins	Santini	Thornton
Pickle	Sarbanes	Udall
Pike	Satterfield	Ullman
Preyer	Schroeder	Van Deerlin
Price	Seiberling	Vander Veen
Randall	Sharp	Vanik
Rangel	Simon	Vigorito
Rees	Solarz	Weaver
Reuss	Spellman	Whalen
Richmond	Staggers	Wilson, Tex.
Rodino	Stanton, James V.	Wirth
Roe	Stark	Wolff
Rogers	Stephens	Wright
Roncalio	Stokes	Yates
Rooney	Studds	Yatron
Rosenthal	Symington	Young, Ga.
Rostenkowski	Taylor, N.C.	Young, Tex.
Roush		Zablocki

NOES—143

Archer	Frenzel	Mollohan
Armstrong	Frey	Montgomery
Bafalis	Gilman	Myers, Ind.
Bauman	Ginn	Myers, Pa.
Beard, Tenn.	Goldwater	Natcher
Bennett	Goodling	Nedzi
Bevill	Gradison	Nichols
Biester	Grassley	O'Brien
Bowen	Guyer	Patten, N.J
Breaux	Hagedorn	Paul
Breckinridge	Haley	Pettis
Brinkley	Hammer-schmidt	Pressler
Brown, Mich.	Harsha	Pritchard
Brown, Ohio	Hefner	Quie
Broyhill	Henderson	Railsback
Buchanan	Hillis	Rhodes
Burke, Mass.	Holt	Rinaldo
Burleson, Tex.	Horton	Robinson
Burlison, Mo.	Hutchinson	Runnels
Butler	Hyde	Ruppe
Byron	Jarman	Sarasin
Carter	Jeffords	Schneebeli
Cederberg	Johnson, Colo.	Schulze
Chappell	Jones, N.C.	Shipley
Clancy	Jones, Okla.	Shriver
Clawson, Del	Kasten	Shuster
Cochran	Kazen	Smith, Nebr.
Cohen	Kelly	Snyder
Collins, Tex.	Kemp	Spence
Conable	Kindness	Stanton, J. William
Conte	Lagomarsino	Steiger, Wis.
Coughlin	Lent	Stratton
Crane	Levitas	Symms
Daniel, Dan	Lloyd, Tenn.	Taylor, Mo.
Daniel, R. W.	Lott	Thone
Derwinski	Lujan	Treen
Devine	McClory	Vander Jagt
Dickinson	McCollister	Waggonner
Downing, Va.	McDade	Walsh
Duncan, Tenn.	McDonald	White
Edwards, Ala.	McEwen	Whitehurst
Emery	Madigan	Whitten
English	Mahon	Wiggins
Erlenborn	Mann	Winn
Findley	Michel	Wydler
Fish	Milford	Young, Fla.
Flowers	Miller, Ohio	
Flynt	Mitchell, N.Y.	
Forsythe		

NOT VOTING—108

Abdnor	Esch	McCloskey
Abzug	Eshleman	McCormack
Addabbo	Evins, Tenn.	McKinney
Alexander	Ford, Tenn.	Martin
Anderson, Ill.	Fuqua	Mathis
Andrews, N. Dak.	Giaimo	Melcher
Ashbrook	Green	Mezvinsky
AuCoin	Hall, Tex.	Moakley
Badillo	Hanley	Moore
Beard, R.I.	Hannaford	Moorhead, Calif.
Bell	Hansen	Moorhead, Pa.
Bonker	Harrington	Morgan
Broomfield	Hawkins	Mosher
Burgener	Hays, Ohio	Motti
Burke, Fla.	Hébert	Nix
Burton, John	Heinz	O'Neill
Burton, Phillip	Hightower	Pepper
Chisholm	Hinshaw	Peyser
Clausen, Don H.	Holland	Poage
Clay	Howe	Quillen
Cleveland	Johnson, Pa.	Regula
Conlan	Jones, Ala.	Riegle
Conyers	Jones, Tenn.	Risenhoover
de la Garza	Karth	Roberts
Duncan, Oreg.	Ketchum	Rose
du Pont	Koch	Rousselot
Early	Landrum	Roybal
	Latta	Russo
	Lehman	

St Germain	Steed	Tsongas
Scheuer	Steelman	Wampler
Sebelius	Steiger, Ariz.	Waxman
Sikes	Stuckey	Wilson, Bob
Sisk	Sullivan	Wilson, C. H.
Skubitz	Talcott	Wylie
Slack	Teague	Young, Alaska
Smith, Iowa	Traxler	Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. O'Neill for, with Mr. Hébert against.
Mr. Addabbo for, with Mr. Roberts against.
Mr. Hanley for, with Mr. Teague against.
Mr. Koch for, with Mr. Rousselot against.
Ms. Abzug for, with Mr. Regula against.
Mrs. Chisholm for, with Mr. Moore against.
Mr. Moakley for, with Mr. Latta against.
Mr. Charles H. Wilson of California for, with Mr. Ketchum against.
Mr. Jones of Tennessee for, with Mr. Johnson of Pennsylvania against.
Mr. Badillo for, with Mr. Wampler against.
Mr. Phillip Burton for, with Mr. Young of Alaska against.
Mr. John Burton for, with Mr. Hansen against.
Mr. Conyers for, with Mr. Burke of Florida against.
Mr. Clay for, with Mr. Andrews of North Dakota against.
Mr. Pepper for, with Mr. Ashbrook against.
Mr. Early for, with Mr. Martin against.
Mr. Hannaford for, with Mr. Quillen against.
Mr. Harrington for, with Mr. Abdnor against.
Mr. Hawkins for, with Mr. Burgener against.
Mr. Lehman for, with Mr. Cleveland against.
Mr. McCormack for, with Mr. Don H. Clausen against.
Mr. Mezvinsky for, with Mr. Wylie against.
Mr. Moorhead of Pennsylvania for, with Mr. Talcott against.
Mr. Morgan for, with Mr. Anderson of Illinois against.
Mr. Riegle for, with Mr. Skubitz against.
Mr. Roybal for, with Mr. Bob Wilson against.
Mr. Scheuer for, with Mr. Sebelius against.
Mr. Sisk for, with Mr. Moorhead of California against.
Mr. Smith of Iowa for, with Mr. McKinney against.
Mr. St Germain for, with Mr. McCloskey against.
Mr. Traxler for, with Mr. Eshleman against.
Mr. Tsongas for, with Mr. Broomfield against.
Mr. Waxman for, with Mr. Steelman against.
Mr. Zeferetti for, with Mr. du Pont against.
Mr. Duncan of Oregon for, with Mr. Bell against.
Mr. Mottl for, with Mr. Steiger of Arizona against.
Mr. Ford of Tennessee for, with Mr. Conlan against.
Mr. Melcher for, with Mr. Esch against.
Mr. Nix for, with Mr. Landrum against.

Until further notice:

Mr. Hays of Ohio with Mrs. Sullivan.
Mr. de la Garza with Mr. Evins of Tennessee.
Mr. Alexander with Mr. Green.
Mr. Giaimo with Mr. Holland.
Mr. Jones of Alabama with Mr. Mathis.
Mr. AuCoin with Mr. Bonker.
Mr. Fuqua with Mr. Hall of Texas.
Mr. Hightower with Mr. Karth.
Mr. Risenhoover with Mr. Rose.
Mr. Russo with Mr. Sikes.
Mr. Slack with Mr. Steed.

Mr. JONES of Oklahoma changed his vote from "aye" to "no."

Mr. HUBBARD changed his vote from "no" to "aye."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

The title was amended so as to read: "Resolution providing for the appointment of a special counsel to represent the House and the Committee on Interstate and Foreign Commerce in certain judicial proceedings.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION TO HAVE UNTIL MIDNIGHT TOMORROW, AUGUST 27, 1976, TO FILE A CONFERENCE REPORT ON S. 5

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the managers may have until midnight, Friday, August 27, 1976, to file a conference report on the Senate bill (S. 5), the Government in the sunshine bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 94-1441)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 5) to provide that meetings of Government agencies shall be open to the public, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Government in the Sunshine Act".

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of the United States that the public is entitled to the fullest practicable information regarding the decisionmaking processes of the Federal Government. It is the purpose of this Act to provide the public with such information while protecting the rights of individuals and the ability of the Government to carry out its responsibilities.

OPEN MEETINGS

SEC. 3. (a) Title 5, United States Code, is amended by adding after section 552a the following new section:

"§ 552b. Open meetings

"(a) For purposes of this section—

"(1) the term 'agency' means any agency, as defined in section 552(e) of this title, headed by a collegial body composed of two or more individual members, a majority of whom are appointed to such position by the President with the advice and consent of the Senate, and any subdivision thereof authorized to act on behalf of the agency;

"(2) the term 'meeting' means the deliberations of at least the number of individual agency members required to take action on behalf of the agency where such deliberations determine or result in the joint conduct or disposition of official agency business, but does not include deliberations required or permitted by subsection (d) or (e); and

"(3) the term 'member' means an individual who belongs to a collegial body heading an agency.

"(b) Members shall not jointly conduct or dispose of agency business other than in accordance with this section. Except as provided in subsection (c), every portion of every meeting of an agency shall be open to public observation.

"(c) Except in a case where the agency finds that the public interest requires otherwise, the second sentence of subsection (b) shall not apply to any portion of an agency meeting, and the requirements of subsections (d) and (e) shall not apply to any information pertaining to such meeting otherwise required by this section to be disclosed to the public, where the agency properly determines that such portion or portions of its meeting or the disclosure of such information is likely to—

"(1) disclose matters that are (A) specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign policy and (B) in fact properly classified pursuant to such Executive order;

"(2) relate solely to the internal personnel rules and practices of an agency;

"(3) disclose matters specifically exempted from disclosure by statute (other than section 552 of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;

"(4) disclose trade secrets and commercial or financial information obtained from a person and privileged or confidential;

"(5) involve accusing any person of a crime, or formally censuring any person;

"(6) disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

"(7) disclose investigatory records compiled for law enforcement purposes, or information which if written would be contained in such records, but only to the extent that the production of such records or information would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source and, in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished only by the confidential source, (E) disclose investigative techniques and procedures, or (F) endanger the life or physical safety of law enforcement personnel;

"(8) disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions;

"(9) disclose information the premature disclosure of which would—

"(A) in the case of an agency which regulates currencies, securities, commodities, or financial institutions, be likely to (i) lead to significant financial speculation in currencies, securities, or commodities, or (ii) significantly endanger the stability of any financial institution; or

"(B) in the case of any agency, be likely to significantly frustrate implementation of a proposed agency action,

except that subparagraph (B) shall not apply in any instance where the agency has already

disclosed to the public the content or nature of its proposed action, or where the agency is required by law to make such disclosure on its own initiative prior to taking final agency action on such proposal; or

"(10) specifically concern the agency's issuance of a subpena, or the agency's participation in a civil action or proceeding, an action in a foreign court or international tribunal, or an arbitration, or the initiation, conduct, or disposition by the agency of a particular case of formal agency adjudication pursuant to the procedures in section 554 of this title or otherwise involving a determination on the record after opportunity for a hearing.

"(d)(1) Action under subsection (c) shall be taken only when a majority of the entire membership of the agency (as defined in subsection (a)(1) votes to take such action. A separate vote of the agency members shall be taken with respect to each agency meeting a portion or portions of which are proposed to be closed to the public pursuant to subsection (c), or with respect to any information which is proposed to be withheld under subsection (c). A single vote may be taken with respect to a series of meetings, a portion or portions of which are proposed to be closed to the public, or with respect to any information concerning such series of meetings, so long as each meeting in such series involves the same particular matters and is scheduled to be held no more than thirty days after the initial meeting in such series. The vote of each agency member participating in such vote shall be recorded and no proxies shall be allowed.

"(2) Whenever any person whose interests may be directly affected by a portion of a meeting requests that the agency close such portion to the public for any of the reasons referred to in paragraph (5), (6), or (7) of subsection (c), the agency, upon request of any one of its members, shall vote by recorded vote whether to close such meeting.

"(3) Within one day of any vote taken pursuant to paragraph (1) or (2), the agency shall make publicly available a written copy of such vote reflecting the vote of each member on the question. If a portion of a meeting is to be closed to the public, the agency shall, within one day of the vote taken pursuant to paragraph (1) or (2) of this subsection, make publicly available a full written explanation of its action closing the portion together with a list of all persons expected to attend the meeting and their affiliation.

"(4) Any agency, a majority of whose meetings may properly be closed to the public pursuant to paragraph (4), (8), (9)(A), or (10) of subsection (c), or any combination thereof, may provide by regulation for the closing of such meetings or portions thereof in the event that a majority of the members of the agency votes by recorded vote at the beginning of such meeting, or portion thereof, to close the exempt portion or portions of the meeting, and a copy of such vote, reflecting the vote of each member on the question, is made available to the public. The provisions of paragraphs (1), (2), and (3) of this subsection and subsection (e) shall not apply to any portion of a meeting to which such regulations apply: *Provided*, That the agency shall, except to the extent that such information is exempt from disclosure under the provisions of subsection (c), provide the public with public announcement of the time, place, and subject matter of the meeting and of each portion thereof at the earliest practicable time.

"(e)(1) In the case of each meeting, the agency shall make public announcement, at least one week before the meeting, of the time, place, and subject matter of the meeting, whether it is to be open or closed to the public, and the name and phone number of the official designated by the agency to respond to requests for information about the meeting. Such announcement shall be made unless a majority of the members of the agency determines by a recorded vote that agency business requires that such meeting be called at an earlier date, in which case the agency shall make public announcement of the time, place, and subject matter of such meeting, and whether open or closed to the public, at the earliest practicable time.

"(2) The time or place of a meeting may be changed following the public announcement required by paragraph (1) only if the agency publicly announces such change at the earliest practicable time. The subject matter of a meeting, or the determination of the agency to open or close a meeting, or portion of a meeting, to the public, may be changed following the public announcement required by this subsection only if (A) a majority of the entire membership of the agency determines by a recorded vote that agency business so requires and that no earlier announcement of the change was possible, and (B) the agency publicly announces such change and the vote of each member upon such change at the earliest practicable time.

"(3) Immediately following each public announcement required by this subsection, notice of the time, place, and subject matter of a meeting, whether the meeting is open or closed, any change in one of the preceding, and the name and phone number of the official designated by the agency to respond to requests for information about the meeting, shall also be submitted for publication in the Federal Register.

"(f)(1) For every meeting closed pursuant to paragraphs (1) through (10) of subsection (c), the General Counsel or chief legal officer of the agency shall publicly certify that, in his or her opinion, the meeting may be closed to the public and shall state each relevant exemptive provision. A copy of such certification, together with a statement from the presiding officer of the meeting setting forth the time and place of the meeting, and the persons present, shall be retained by the agency. The agency shall maintain a complete transcript or electronic recording adequate to record fully the proceedings of each meeting, or portion of a meeting, closed to the public, except that in the case of a meeting, or portion of a meeting, closed to the public pursuant to paragraph (8), (9)(A), or (10) of subsection (c), the agency shall maintain either such a transcript or recording, or a set of minutes. Such minutes shall fully and clearly describe all matters discussed and shall provide a full and accurate summary of any actions taken, and the reasons therefor, including a description of each of the views expressed on any item and the record of any rollcall vote (reflecting the vote of each member on the question). All documents considered in connection with any action shall be identified in such minutes.

"(2) The agency shall make promptly available to the public, in a place easily accessible to the public, the transcript, electronic recording, or minutes (as required by paragraph (1)) of the discussion of any item on the agenda, or of any item of the testimony of any witness received at the meeting, except for such item or items of such discussion or testimony as the agency determines to contain information which maybe withheld under subsection (c). Copies of such transcript, or minutes, or a transcription of such recording disclosing the identity of each speaker, shall be furnished to any person at the actual cost of duplication or transcription. The agency shall maintain a complete verbatim copy of the transcript, a complete copy of the minutes, or a complete electronic recording of each meeting, or portion of a meeting, closed to the public, for a period of at least two years after such meeting, or until one year after the conclusion of any agency proceeding with respect to which the meeting or portion was held, whichever occurs later.

"(g) Each agency subject to the requirements of this section shall, within 180 days after the date of enactment of this section, following consultation with the Office of the Chairman of the Administrative Conference of the United States and published notice in the Federal Register of at least thirty days and opportunity for written comment by any person, promulgate regulations to implement the requirements of subsections (b) through (f) of this section. Any person may bring a proceeding in the United States District Court for the District of Columbia to require an agency to promulgate such regulations if such agency has not promulgated such regulations within the time period specified herein. Subject to any limitations of time provided by law, any person may bring a proceeding in the United States Court of Appeals for the District of Columbia to set aside agency regulations issued pursuant to this subsection that are not in accord with the requirements of subsections (b) through (f) of this section and to require the promulgation of regulations that are in accord with such subsections.

"(h)(1) The district courts of the United States shall have jurisdiction to enforce the requirements of subsections (b) through (f) of this section by declaratory judgment, injunctive relief, or other relief, as may be appropriate. Such actions may be brought by any person against an agency prior to, or within sixty days after, the meeting out of which the violation of this section arises, except that if public announcement of such meeting is not initially provided by the agency in accordance with the requirements of this section, such action may be instituted pursuant to this section at any time prior to sixty days after any public announcement of such meeting. Such actions may be brought in the district court of the United States for the district in which the agency meeting is held or in which the agency in question has its headquarters, or in the District Court for the District of Columbia. In such actions a defendant shall serve his answer within thirty days after the service of the complaint. The burden is on the defendant to sustain his action. In deciding such cases the court may examine in camera any portion of the transcript, electronic recording, or minutes of a meeting closed to the public, and may take such additional evidence as it deems necessary. The court, having due regard for orderly administration and the public interest, as well as the interests of the parties, may grant such equitable relief as it deems appropriate, including granting an injunction against future violations of this section or ordering the agency to make available to the public such portion of the transcript, recording, or minutes of a meeting as is not authorized to be withheld under subsection (c) of this section.

"(2) Any Federal court otherwise authorized by law to review agency action may, at the application of any person properly participating in the proceeding pursuant to other applicable law, inquire into violations by the agency of the requirements of this section and afford such relief as it deems appropriate. Nothing in this section authorizes any Federal court having jurisdiction solely on the basis of paragraph (1) to set aside, enjoin, or invalidate any agency action (other than an action to close a meeting or to withhold information under this section) taken or discussed at an agency meeting out of which the violation of this section arose.

"(i) The court may assess against any party reasonable attorney fees and other litigation costs reasonably incurred by any other party who substantially prevails in any action brought in accordance with the provisions of subsection (g) or (h) of this

section, except that costs may be assessed against the plaintiff only where the court finds that the suit was initiated by the plaintiff primarily for frivolous or dilatory purposes. In the case of assessment of costs against an agency, the costs may be assessed by the court against the United States.

"(j) Each agency subject to the requirements of this section shall annually report to Congress regarding its compliance with such requirements, including a tabulation of the total number of agency meetings open to the public, the total number of meetings closed to the public, the reasons for closing such meetings, and a description of any litigation brought against the agency under this section, including any costs assessed against the agency in such litigation (whether or not paid by the agency).

"(k) Nothing herein expands or limits the present rights of any person under section 552 of this title, except that the exemptions set forth in subsection (c) of this section shall govern in the case of any request made pursuant to section 552 to copy or inspect the transcripts, recordings, or minutes described in subsection (f) of this section. The requirements of chapter 33 of title 44, United States Code, shall not apply to the transcripts, recordings, and minutes described in subsection (f) of this section.

"(l) This section does not constitute authority to withhold any information from Congress, and does not authorize the closing of any agency meeting or portion thereof required by any other provision of law to be open.

"(m) Nothing in this section authorizes any agency to withhold from any individual any record, including transcripts, recordings, or minutes required by this section, which is otherwise accessible to such individual under section 552a of this title.".

(b) The chapter analysis of chapter 5 of title 5, United States Code, is amended by inserting:

"552b. Open meetings."

immediately below:

"552a. Records about individuals.".

EX PARTE COMMUNICATIONS

SEC. 4. (a) Section 557 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) In any agency proceeding which is subject to subsection (a) of this section, except to the extent required for the disposition of ex parte matters as authorized by law—

"(A) no interested person outside the agency shall make or knowingly cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communication relevant to the merits of the proceeding;

"(B) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, shall make or knowingly cause to be made to any interested person outside the agency an ex parte communication relevant to the merits of the proceeding;

"(C) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes or knowingly causes to be made a communication prohibited by this subsection shall place on the public record of the proceeding:

"(i) all such written communications;

"(ii) memoranda stating the substance of all such oral communications; and

"(iii) all written responses, and memoranda stating the substance of all oral responses, to the materials described in clauses (i) and (ii) of this subparagraph;

"(D) upon receipt of a communication knowingly made or knowingly caused to be made by a party in violation of this subsection, the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy of the underlying statutes, require the party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected on account of such violation; and

"(E) the prohibitions of this subsection shall apply beginning at such time as the agency may designate, but in no case shall they begin to apply later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it will be noticed, in which case the prohibitions shall apply beginning at the time of his acquisition of such knowledge.

"(2) This subsection does not constitute authority to withhold information from Congress.".

(b) Section 551 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the "act." at the end of paragraph (13) and inserting in lieu thereof "act; and"; and

(3) by adding at the end thereof the following new paragraph:

"(14) 'ex parte communication' means an oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given, but it shall not include requests for status reports on any matter or proceeding covered by this subchapter.".

(c) Section 556(d) of title 5, United States Code, is amended by inserting between the third and fourth sentences thereof the following new sentence: "The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of section 557(d) of this title sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur.".

CONFORMING AMENDMENTS

SEC. 5. (a) Section 410(b)(1) of title 39, United States Code, is amended by inserting after "Section 552 (public information)," the words "section 552a (records about individuals), section 552b (open meetings),".

(b) Section 552(b)(3) of title 5, United States Code, is amended to read as follows:

"(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;".

(c) Subsection (d) of section 10 of the Federal Advisory Committee Act is amended by striking out the first sentence and inserting in lieu thereof the following: "Subsections (a)(1) and (a)(3) of this section shall not apply to any portion of an advisory committee meeting where the President, or the head of the agency to which the advisory committee reports, determines that such portion of such meeting may be closed to the public in accordance with subsection (c) of section 552b of title 5, United States Code.".

EFFECTIVE DATE

SEC. 6. (a) Except as provided in subsection (b) of this section, the provisions of this Act shall take effect 180 days after the date of its enactment.

(b) Subsection (g) of section 552b of title 5, United States Code, as added by section 3 (a) of this Act, shall take effect upon enactment.

And the House agree to the same.

JACK BROOKS,
JOHN E. MOSS,
DANTE B. FASCELL,
JOHN CONYERS, Jr.,
BELLA S. ABZUG,
WALTER FLOWERS,
GEORGE E. DANIELSON,
BARBARA JORDAN,
ROMANO L. MAZZOLI,
EDWARD W. PATTISON,
FRANK HORTON,
PAUL N. MCCLOSKEY, Jr.,
CARLOS J. MOORHEAD,
THOMAS N. KINDNESS,
Managers on the Part of the House.

ABE RIBICOFF,
EDMUND S. MUSKIE,
LEE METCALF,
LAWTON CHILES,
CHARLES H. PERCY,
JACOB K. JAVITS,
WILLIAM V. ROTH, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 5) to provide that meetings of Government agencies shall be open to the public, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a complete substitute for the House amendment, and the House agrees to the same. The differences among the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The Senate bill, the House amendment, and the conference substitute provide that this legislation may be cited as the "Government in the Sunshine Act".

DECLARATION OF POLICY

The Senate bill, the House amendment, and the conference substitute provide in section 2 that it is the policy of the United States that the public is entitled to the fullest practicable information regarding the decisionmaking processes of the Federal Government, and that it is the purpose of this Act to provide the public with such information while protecting the rights of individuals and the ability of the Government to carry out its responsibilities.

OPEN MEETINGS

Codification

Senate Bill

The Senate bill did not make its open meeting provisions a part of title 5, United States Code.

House Amendment

The House amendment enacted its open meeting provisions as a new section 552b of title 5, United States Code.

Conference Substitute

The conference substitute is the same as the House amendment.

Definitions

Senate bill

Section 3 of the Senate bill defined the term "person" to include an individual, part-

nership, corporation, association, or public or private organization other than an agency.

Section 4(a) of the Senate bill made section 4 applicable to the Federal Election Commission and to any agency, as defined in section 551(1) of title 5, United States Code, where the collegial body comprising the agency consists of two or more individual members, at least a majority of whom are appointed to such position by the President with the advice and consent of the Senate.

Section 4(a) of the Senate bill also provided that for purposes of section 4, a meeting means the deliberations of at least the number of individual agency members required to take action on behalf of the agency where such deliberations concern the joint conduct or disposition of official agency business.

The Senate bill did not contain a definition of the term "member".

House amendment

The House amendment, subsection (a) of the proposed new section 552b of title 5, United States Code, contained no definition of the term "person", since the proposed section 552b would automatically be subject to the definition of "person" contained in 5 U.S.C. 551(2) (which is identical to the definition contained in the Senate bill).

The House amendment defined the term "agency" as the Federal Election Commission and any agency, as defined in section 552(e) of title 5, United States Code, headed by a collegial body composed of two or more individuals, a majority of whom are appointed to such position by the President with the advice and consent of the Senate, including any subdivision thereof authorized to act on behalf of the agency.

The House amendment defined the term "meeting" as a gathering to jointly conduct or dispose of agency business by two or more, but at least the number of individual agency members required to take action on behalf of the agency, but not including gatherings held to take action required or permitted by subsection (d) of section 552b.

The House amendment defined the term "member" as an individual who belongs to a collegial body heading an agency.

Conference substitute

The conference substitute is subsection (a) of new section 552b. It is the same as the House amendment, except as follows:

1. The separate reference to the Federal Election Commission in the definition of "agency" is eliminated, since that body now falls within the bill's generic definition of the term under the provisions of Public Law 94-283.

2. Although the language of the House amendment referring to a covered agency as "headed by a collegial body" is used in the substitute instead of the reference in the Senate bill to "the collegial body comprising the agency", the intent and understanding of the conferees regarding this provision is that meetings of a collegial body governing an agency whose day-to-day management may be under the authority of a single individual (such as the United States Postal Service and the National Railroad Passenger Corporation (Amtrak)) are included within the definition of agency.

3. The substitute defines the term "meeting" as the deliberations of at least the number of individual agency members required to take action on behalf of the agency where such deliberations determine or result in the joint conduct or disposition of agency business, but not including deliberations to take action to open or close a meeting, or to release or withhold information under subsections (d) or (e) of this section. This is the Senate definition, as explained in the Senate report, except that the word "concern" is replaced by the words "determine or result in". This definition will include conference telephone calls if they involve the requisite number of members and otherwise come within the definition.

Prohibition on conduct of business other than as provided in this section

The Senate bill contained no express prohibition on the conduct of agency business other than as provided in the bill.

House amendment

Section (b)(1) of new section 552b, as included in the House amendment, provided that members, as described in subsection (a)(2), shall not jointly conduct or dispose of agency business without complying with subsections (b) through (g).

Conference substitute

The conference substitute provides that members shall not jointly conduct or dispose of agency business in a meeting other than in accordance with new section 552b. This prohibition does not prevent agency members from considering individually business that is circulated to them sequentially in writing.

Open meeting requirement

Senate bill

Subsection 4(a) of the Senate bill provided that, except as provided in subsection 4(b), all meetings of a collegial body comprising an agency, or of a subdivision thereof authorized to take action on behalf of the agency, shall be open to the public.

House amendment

The House amendment provided, in subsection (b)(2) of new section 552b, that except as provided in subsection (c), every portion of every meeting of an agency (including a subdivision) shall be open to public observation.

Conference substitute

The conference substitute is the same as the House amendment. The phrase "open to public observation" is intended to guarantee that ample space, sufficient visibility, and adequate acoustics will be provided.

Exemptions from open meeting requirement

Senate bill

Section 4(b) of the Senate bill provided that, except where the agency finds that the public interest requires otherwise, (1) the open meeting requirement of subsection 4(a) shall not apply to any meeting, or portion thereof, of an agency or a subdivision of an agency authorized to take action on behalf of the agency, and (2) the informational and disclosure requirements of subsections 4(c) and (d) shall not apply to any information pertaining to such meeting otherwise required by this section to be disclosed to the public, where the agency or subdivision in question properly determines that such portion or portions of the meeting, or such information, can be reasonably expected to—

(1) disclose matters (A) specifically authorized under criteria by an Executive order to be kept secret in the interests of national defense or foreign policy and (B) are in fact properly classified pursuant to such Executive order;

(2) relate solely to the agency's own internal personnel rules and practices;

(3) disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(4) involve accusing any person of a crime, or formally censuring any person;

(5) disclose information contained in investigatory records compiled for law enforcement purposes, but only to the extent that the disclosure would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source, (E) in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation disclose confidential information furnished only by the confidential source, (F) disclose investigative techniques and procedures, or (G) endanger the life or physical safety of law enforcement personnel;

(6) disclose trade secrets, or financial or commercial information obtained from any person, where such trade secrets or other information could not be obtained by the agency without a pledge of confidentiality, or where such information must be withheld from the public in order to prevent substantial injury to the competitive position of the person to whom such information relates;

(7) disclose information which must be withheld from the public in order to avoid premature disclosure of an action or a proposed action by—

(A) an agency which regulates currencies, securities, commodities, or financial institutions where such disclosure would (i) lead to significant financial speculation in currencies, securities, or commodities, or (ii) significantly endanger the stability of any financial institution;

(B) any agency where such disclosure would significantly frustrate implementation of the proposed agency action, or private action contingent thereon; or

(C) any agency relating to the purchase by such agency of real property.

This exemption would not apply in any instance where the agency has already disclosed to the public the content or nature of its proposed action, or where the agency is required by law to make such disclosure on its own initiative prior to taking final agency action on such proposal;

(8) disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions;

(9) specifically concern the agency's participation in a civil action in Federal or State court, or the initiation, conduct, or disposition by the agency of a particular case of formal agency adjudication pursuant to the procedures in section 554 of title 5, United States Code, or otherwise involving a determination on the record after opportunity for a hearing; or

(10) disclose information required to be withheld from the public by any other statute establishing particular criteria or referring to particular types of information.

House amendment

Subsection (c) of 5 U.S.C. 552b, as included in the House amendment, provided that except in a case where the agency finds that the public interest requires otherwise, the open meeting requirement of subsection (b) shall not apply to any portion of an agency meeting, and the informational and disclosure requirements of subsections (d) and (e) shall not apply to any information pertaining to such meeting otherwise required by this section to be disclosed to the public, where the agency properly determines that such portion or portions of its meeting or the disclosure of such information is likely to—

(1) disclose matters that are (A) specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign policy and (B) in fact properly classified pursuant to such Executive order;

(2) relate solely to the internal personnel rules and practices of an agency;

(3) disclose matters specifically exempted from disclosure by statute (other than section 552 of title 5, United States Code), provided that such statute (A) requires that the matters be withheld from the public, or (B)

establishes particular criteria for withholding or refers to particular types of matters to be withheld;

(4) disclose trade secrets and commercial or financial information obtained from a person and privileged or confidential;

(5) involve accusing any person of a crime, or formally censuring any person;

(6) disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(7) disclose investigatory records compiled for law enforcement purposes, or information which if written would be contained in such records, but only to the extent that the production of such records or information would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source and, in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished only by the confidential source, (E) disclose investigative techniques and procedures, or (F) endanger the life or physical safety of law enforcement personnel;

(8) disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions;

(9) disclose information the premature disclosure of which would—

(A) in the case of an agency which regulates currencies, securities, commodities, or financial institutions, be likely to (i) lead to significant financial speculation, or (ii) significantly endanger the stability of any financial institution; or

(B) in the case of any agency, be likely to significantly frustrate implementation of a proposed agency action, except that exemption (9)(B) would not apply in any instance after the content or nature of the proposed agency action has been disclosed to the public by the agency, unless the agency is required by law to make such disclosure prior to taking final agency action on such proposal, or after the agency publishes or serves a substantive rule pursuant to section 553(d) of title 5, United States Code; or

(10) specifically concern the agency's issuance of a subpena, or the agency's participation in a civil action or proceeding, an action in a foreign court or international tribunal, or an arbitration, or the initiation, conduct, or disposition by the agency of a particular case of formal agency adjudication pursuant to the procedures in section 554 of title 5, United States Code, or otherwise involving a determination on the record after opportunity for a hearing.

Conference substitute

The conference substitute is the same as the House amendment, except that the third exemption, incorporating by reference exemptions contained in other statutes, applies only to statutes that either (a) require that the information be withheld from the public in such a manner as to leave no discretion on the issue, or (b) establish particular criteria for withholding or refer to particular types of information to be withheld. The conferees intend this language to overrule the decision of the Supreme Court in *Administrator, FAA* v. *Robertson*, 422 U.S. 255 (1975), which dealt with section 1104 of the Federal Aviation Act of 1958 (49 U.S.C. 1504). Another example of a statute whose terms do not bring it within this exemption is section 1106 of the Social Security Act (42 U.S.C. 1306).

The conferees' understanding and intention with respect to subsection (c) is as follows:

1. The conferees understand the word "likely" to mean that it is more likely than not that the event or result in question will occur.

2. The conferees intend the inclusion in the seventh exemption (law enforcement material) of non-written information such as oral information imparted by a confidential informant, to cover only information, that if written would be included in investigatory records compiled for law enforcement purposes.

3. The language of the House amendment regarding trade secrets and confidential financial or commercial information is identical to the analogous exemption in the Freedom of Information Act, 5 U.S.C. 552(b)(4), and the conferees have agreed to this language with recognition of judicial interpretations of that exemption.

4. The limitation on the second part of the ninth exemption (information whose disclosure would significantly frustrate a proposed agency action) provides that it shall not apply in any instance where the agency has already disclosed to the public the content or nature of its proposed action, or where the agency is required by law to make such disclosure on its own initiative prior to taking final agency action on the proposal. Disclosure of the information other than by the agency, such as by an unauthorized "leak", would not render it ineligible for the protection of this exemption.

5. In an appropriate instance, an agency discussion of the possible purchase of real property would fall within the second part of the ninth exemption.

6. The House version of the personnel exemption is agreed to with recognition of the Supreme Court's interpretation of the analogous Freedom of Information Act exemption in *Department of the Air Force* v. *Rose*, — U.S. —, 44 U.S.L.W. 4503 (April 21, 1976).

Procedure for closing meetings

Senate bill

Subsection 4(c)(1) of the Senate bill provided that action to close a meeting or to withhold information under subsection 4(b) shall be taken only when a majority of the entire membership of the agency or subdivision concerned votes to take such action. A separate vote is to be taken with respect to each meeting (or portion thereof) proposed to be closed, or any information proposed to be withheld, except that a single vote may be taken with respect to a series of meetings, a portion or portions of which are proposed to be closed to the public, or with respect to any information concerning such series of meetings, if each meeting in the series involves the same particular matters and is scheduled to be held no more than 30 days after the initial meeting in the series.

The vote of each agency member is to be recorded and proxies are not permitted.

Whenever any person whose interests might be directly affected by a meeting requests that the agency close a portion or portions of the meeting under the exemptions relating to personal privacy, criminal accusation, or law enforcement information, the agency, upon the request of any one of its members, is required to vote whether to close such meeting.

Within one day of any vote taken pursuant to this paragraph, the agency is required to make public a written copy of the vote.

Subsection 4(c)(2) of the Senate bill provided that if a meeting (or portion thereof) is closed, the agency must, within one day of the vote taken under paragraph (c)(1), make public a full written explanation of its action closing the meeting, together with a list containing the names and affiliations of all persons expected to attend the meeting.

Subsection 4(c)(3) of the Senate bill provided a special procedure whereby any agency, a majority of whose meetings will properly be closed to the public pursuant to the exemptions for trade secrets, information that might lead to financial speculation, bank condition reports, or adjudicatory proceedings for civil actions, may provide by regulation for the closing of such meetings or portions, so long as a majority of the members of the agency vote at the beginning of the meeting or portion to close the meeting and a copy of the vote is made public.

The closing procedures of paragraphs (c)(1) and (2), and the announcement procedures of subsection (d), do not apply to any meeting closed under these regulations, but the agency is required to make a public announcement of the date, place, and subject matter of the meeting at the earliest practicable opportunity (except to the extent that to do so would disclose information exempt under subsection 4(b)).

House amendment

Subsection (d)(1) of new section 552b, as set forth in the House amendment, provided that action to close a meeting (or portion thereof) may be taken only when a majority of the entire membership of the agency votes to take such action. A separate vote of the agency members is to be taken with respect to each meeting a portion or portions of which are proposed to be closed, except that a single vote may be taken with respect to a series of portions of meetings proposed to be closed if each portion in such series involves the same particular matters and is scheduled to be held no more than 30 days after the initial portion of a meeting in the series.

The vote of each agency member is required to be recorded and proxies are not permitted.

Subsection (d)(2) of section 552b provided that whenever any person whose interests might be directly affected by a portion of a meeting requests that the agency close such portion to the public under the exemptions relating to personal privacy, criminal accusation, or law enforcement information, the agency, upon the request of any *one* of its members, is required to vote by recorded vote whether to close such meeting.

Subsection (d)(3) of section 552b required the agency to make public a written copy of any vote taken pursuant to paragraphs (d)(1) or (2), reflecting the vote of each member on the question, within one day after the vote. If the vote is to close the meeting (or a portion thereof), the agency is also required to make public within one day a full written explanation of its action closing the portion and a list of the names and *affiliations* of all persons expected to attend the meeting.

Subsection (d)(4) of section 552b provided a special procedure whereby any agency, a majority of whose meetings may properly be closed pursuant to the exemptions for trade secrets, information that might lead to financial speculation, bank condition reports, or adjudicatory proceedings or civil actions, may provide by regulation for the closing of such meetings or portions in the event that a majority of the members of the agency vote by recorded vote at the beginning of the meeting or *portion* to close the exempt portions thereof and a copy of the vote, reflecting the vote of each member on the question, is made public.

The closing procedures of paragraphs (d)(1), (2) and (3), and the announcement procedures of subsection (e), do not apply to any portion of a meeting closed under these regulations, but the agency is required to make a public announcement of the date, place, and subject matter of the meeting (and each portion thereof) at the earliest practicable time and in no case later than the commencement of the meeting or portion (except to the extent that to do so would disclose information exempt under subsection (d)).

Conference substitute

The conference substitute is the same as the Senate bill, except as follows:

1. The reference to an agency subdivision in paragraph (1) is eliminated, since the definition of "agency" in subparagraph (a)(1) of section 552b includes any subdivision thereof authorized to act on behalf of the agency. The reference to the definition of "agency" in this instance is intended to make clear that when a subdivision is authorized to act on behalf of the agency, a majority of the entire membership of the subdivision is necessary to close a meeting.

2. Any vote to close a meeting upon the request of an affected person, or using the special procedure under paragraph (d)(4), must be recorded. When such vote is published, the vote of each individual member shall be set forth.

3. While the public announcement required when a meeting is closed using the special procedure under paragraph (d)(4) need only be made at the earliest practicable time, the conferees intend that such announcements be made as soon as possible, which should in few, if any, instances be later than the commencement of the meeting or portion in question.

4. The fact that one portion of a meeting may be closed does not justify the closing of any other portion.

Announcement of meetings

Senate Bill

Section 4(d) of the Senate bill required that the agency publicly announce, at least one week before a meeting, the following:

1. the date of the meeting;
2. the place of the meeting;
3. the subject matter of the meeting;
4. whether the meeting is open or closed to the public; and
5. the name and telephone number of the official designated by the agency to respond to requests for information about the meeting.

This seven day period may be reduced if the majority of the members of the agency or subdivision determine by vote that the agency business so requires, in which case public announcement of the date, place, and subject matter of the meeting, and whether it is open or closed, is to be made at the earliest practicable opportunity.

The subject matter or closed/open determination for a meeting may be changed following the initial public announcement if (1) a majority of the entire membership of the agency or subdivision determines by vote that the agency business so requires and that no earlier announcment of the change was possible, and (2) the change is announced at the earliest practicable opportunity.

Notice of any public announcement required by this subsection is to be submitted for publication in the Federal Register immediately after its release.

House amendment

Subsection (e) of new section 552b, as added by the House amendment, required that the agency publicly announce, at least one week before a meeting, the following:

1. the date of the meeting;
2. the place of the meeting;
3. the subject matter of the meeting;
4. whether the meeting is to be open or closed to the public; and
5. the name and telephone number of the official designated by the agency to respond to requests for information about the meeting.

This seven day period may be reduced if the majority of the members of the agency determines by recorded vote that the agency business so requires, in which case public announcement of the date, place, and subject matter of the meeting, and whether it was open or closed to the public, is to be made at the earliest practicable time and in no case later than the commencement of the meeting or portion in question.

The time, place, or subject matter of a meeting, or the determination whether a meeting should be open or closed, may be changed following the initial public announcement if (1) a majority of the entire membership of the agency determines by recorded vote that the agency business so requires and that no earlier announcement of the change was possible, and (2) the change and the vote of each member thereon is announced at the earliest practicable time and in no case later than the commencement of the meeting or portion in question.

Conference substitute

The conference substitute is the same as the House amendment, except as follows:

1. While the public announcement required when a meeting is announced on less than seven days' notice, or when the time, place or subject matter of a meeting, or the determination whether to open or close a meeting is changed following the initial public announcement, need only be made at the earliest practicable time, the conferees intend that such announcements be made as soon as possible, which should in few, if any, instances be later than the commencement of the meeting or portion in question.

2. A change in the time or place of a meeting made subsequent to the initial announcement need not be voted upon by the agency members, but must be announced at the earliest practicable time.

3. The bill requires that reasonable means be used to assure that the public is fully informed of public announcements pursuant to this section. Such means include posting notices on the agency's public notice boards, publishing them in publications whose readers may have an interest in the agency's operation, and sending them to the persons on the agency's general mailing list or a mailing list maintained for those who desire to receive such material.

Notice of a public announcement pursuant to this subsection must also be submitted immediately for publication in the Federal Register.

Transcripts, recordings, and minutes of meetings

Senate bill

Section 4(e) of the Senate bill required that a verbatim transcript or electronic recording be made of each meeting or portion closed to the public, except for a meeting or portion closed under the exemption for adjudicatory proceedings and civil actions. The transcript or recording of each item on the agenda is to be made available to the public promptly, in a place easily assessible to the public, where no significant portion of such item contains any information falling within one of the exemptions in section 4(b).

Copies of the transcript (or a transcription of the recording disclosing the identity of each speaker) are to be furnished to any person at the actual cost of duplication or transcription.

The complete transcript or recording is to be maintained by the agency for at least two years after the meeting or one year after the conclusion of the agency proceeding which was the subject of the meeting, whichever occurred later.

House amendment

Subsection (f)(1) of new section 552b, as contained in the House amendment, required that for every meeting closed under the section, the General Counsel or chief legal officer of the agency certify that, in his opinion, the meeting may properly be closed and state the relevant exemptive provision. A copy of such certification, together with a statement from the presiding officer of the meeting setting forth the date, time, and place of the meeting, the persons present, the generic subject matter of the discussion at the meeting, and the actions taken, is to be incorporated into minutes retained by the agency.

Subsection (f)(2) of section 552b required that written minutes be kept of any meeting or portion which is open and promptly be made available to the public in a location easily accessible to the public. The minutes are to be maintained for a period of at least two years after the meeting, and copies are to be furnished to any person at no greater than the actual cost of duplication (or, if in the public interest, at no cost).

Conference substitute

Subsection (f)(1) of the conference substitute requires that before a meeting may be closed, the General Counsel or chief legal officer of the agency must certify that, in his or her opinion, the meeting may properly be closed and state each relevant exemptive provision. A copy of such certification, together with a statement from the presiding officer of the meeting setting forth the date, time, and place of the meeting, and the persons present, shall be retained by the agency as part of the transcript, recording, or minutes of the meeting.

The agency shall make a verbatim transcript or electronic recording of each meeting or portion closed to the public, except that for a meeting closed under exemptions (8) (bank reports), (9)(A) (information likely to lead to financial speculation), and (10) (adjudicatory proceedings or civil actions), the agency may elect to make either a transcript, a recording, or minutes. If minutes are kept, they must fully and clearly describe all matters discussed, provide a full and accurate summary of any actions taken and the reasons expressed therefor, and include a description of each of the views expressed on any item. The minutes must also reflect the vote of each member on any roll call vote taken during the proceedings and must identify all documents considered at the meeting.

Subsection (f)(2) of the conference substitute requires that the transcript, recording, or minutes made pursuant to paragraph (f)(1) as to each item on the agenda must be made promptly available to the public, except for agenda items or items of the discussion or testimony that the agency determines to contain information exempt under subsection (c).

Copies of the nonexempt portions of the transcript, or minutes, or a transcription of the recording disclosing the identity of each speaker, must be furnished to any person at the actual cost of duplication or transaction.

The complete transcript, minutes, or recording of a closed meeting is to be maintained by the agency for at least two years after the meeting or one year after the conclusion of the agency proceeding which was the subject of the meeting, whichever occurs later.

Agency regulations

Senate bill

Section 4(f) of the Senate bill required each agency subject to the requirements of section 4 to promulgate implementing regulations within 180 days after the enactment of the Act, following consultation with the Office of the Chairman of the Administrative Conference of the United States, published notice in the Federal Register of at least 30 days and opportunity for any person to make written comment thereon.

The Senate provision permitted any person to bring a proceeding in the United States District Court for the District of Columbia to require the promulgation of such regulations if not promulgated within the 180-day period, and also permitted any person to bring a proceeding in the United States Court of Appeals for the District of Columbia Circuit to set aside any such regulations not in accord with the requirements of subsections (a) through (e) of section 4 and to require the promulgation of regulations in accord with those provisions.

House amendment

The House amendment, subsection (g) of new section 552b, was the same as the Sen-

ate bill, except that the right to bring a proceeding in the Court of Appeals to challenge agency regulations promulgated under the Act is subject to "any limitations of time therefor provided by law."

Conference substitute

The conference substitute is the same as the House amendment, except that the right to bring a proceeding in the Court of Appeals to challenge agency regulations promulgated under the Act is subject to "any limitations of time provided by law."

Judicial review

Senate bill

Section 4(g) of the Senate bill vested in the United States District Courts jurisdiction to enforce subsections (a) through (e) of section 4 by declaratory judgment, injunctive relief, or other appropriate relief. An action may be brought by any person prior to, or within 60 days after the meeting in question, except that if proper public announcement of the meeting is not made, the action may be instituted at any time within 60 days after such announcement is made.

The Senate provision required a potential plaintiff to notify the agency before instituting suit and to allow it a reasonable period of time (not to exceed 10 days or, if notification is made prior to the meeting, not to exceed two days) to correct the violation.

An action may be brought where the plaintiff resides or has his principal place of business, or where the agency has its headquarters. The defendant is required to serve his answer within 20 days after the service of the complaint, and the burden is on the defendant to sustain his action.

In deciding such an action the court may examine in camera any portion of the transcript or recording of a closed meeting and may take any additional evidence it deems necessary. The court, having due regard for orderly administration, the public interest, and the interests of the party, may grant such equitable relief as it deems appropriate, including enjoining future violations or ordering the agency to make public the transcript or recording of any portion of a meeting improperly closed to the public.

Subsection 4(g) provided that, except as provided in subsection 4(h), nothing in section 4 confers jurisdiction upon any district court to set aside or invalidate any agency action taken or discussed at a meeting out of which a violation of this section arose.

Subsection 4(h) of the Senate bill provided that any Federal court otherwise authorized by law to review agency action may, at the request of any person properly participating in such a review proceeding, inquire into violations of section 4 by the agency and afford any such relief as it deems appropriate.

House amendment

In the House amendment, subsection (h) of new section 552b vested in the United States District Courts jurisdiction to enforce subsections (b) through (f) of section 552b. An action may be brought by any person prior to, or within 60 days after the meeting in question, except that if proper public announcement of the meeting is not made, the action may be instituted at any time within 60 days after such announcement is made.

The House amendment permitted an action to be brought where the meeting was held, where the agency has its headquarters, or in the District of Columbia. The defendant is required to serve his answer within 20 days after the service of the complaint, but the court may extend that time limit for up to 20 additional days upon a showing of good cause for an extension. The burden is on the defendant to sustain his action.

In deciding such an action the court may examine in camera any portion of the minutes of a closed meeting and may take any additional evidence it deemed necessary. The court, having due regard for orderly administration, the public interest, and the interests of the party, may grant such equitable relief as it deems appropriate, including enjoining future violations or ordering the agency to make public such portion of the minutes as was not exempt under subsection (c) of section 552b.

Subsection (h) further provided that nothing in section 552b confers jurisdiction on a district court acting solely under subsection (h) to set aside, enjoin, or invalidate any agency action taken or discussed at a meeting out of which a violation of section 552b arose.

Conference substitute

The conference substitute vests in the United States District Courts jurisdiction to enforce subsections (b) through (f) of section 552b by declaratory judgment, injunctive relief, or other relief as may be appropriate. An action may be brought by any person prior to, or within 60 days after the meeting in question, except that if proper public announcement of the meeting is not made, the action may be instituted at any time within 60 days after such announcement is made.

The conference substitute does not contain the requirement of the Senate bill that a potential plaintiff formally notify the agency before commencing an action under this subsection because the conferees expect and encourage potential plaintiffs or their attorneys to communicate informally with the agency before bringing suit.

An action under subsection (h)(1) may be brought where the agency meeting was or is to be held, where the agency has its headquarters, or in the District of Columbia. The defendant must serve his answer within 30 days after the service of the complaint, and the court is not given discretion by the substitute to extend that time limit. The burden is upon the defendant to sustain his action.

In deciding such an action the court may examine in camera any portion of the transcript, recording, or minutes of a closed meeting and may take any additional evidence it deems necessary. The court, having due regard for orderly administration, the public interest, and the interests of the party, may grant such equitable relief as it deems appropriate, including enjoining future violations or ordering the agency to make public such portion of the transcript, recording, or minutes as is not exempt under subsection (c) of section 552b.

Subsection (h)(2) of section 552b, as contained in the conference substitute, provides that any Federal court otherwise authorized to review agency action (under provisions such as chapter 7 of title 5, U.S. Code, or chapter 158 of title 28, U.S. Code) may, on the application of any person properly participating in the review proceeding, inquire into violations of section 552b by the agency and afford such relief as it deems appropriate. Nothing in section 552b authorizes any Federal court having jurisdiction solely on the basis of subsection (h)(1) to set aside, enjoin, or invalidate any agency action (other than an action, such as to close a meeting or withhold a portion of a transcript, recording, minutes, or other information, taken pursuant to section 552b) taken or discussed at a meeting out of which a violation of section 552b arose.

The conferees do not intend the authority granted to the Federal courts by the first sentence of subsection (h)(2) to be employed to set aside agency action taken other than under section 552b solely because of a violation of section 552b in any case where the violation is unintentional and not prejudicial to the rights of any person participating in the review proceeding. Agency action should not be set aside for a violation of section 552b unless that violation is of a serious nature.

Attorney fees and litigation costs

Senate bill

Section 4(i) of the Senate bill authorized the court hearing an action under subsection (f), (g), or (h) of that section to assess against any party reasonable attorney fees and other litigation costs reasonably incurred by any other party who substantially prevails in the action. Costs may be assessed against an individual member of an agency only where the court finds that he has intentionally and repeatedly violated section 4, and against a plaintiff where the court finds that he initiated the suit for frivolous or dilatory purposes. In the case of apportionment of fees or costs against any agency, the fees or costs may be assessed against the United States.

House amendment

Subsection (i) of new section 552b, as contained in the House amendment, authorized the court hearing an action under subsection (g) or (h) of section 552b to assess against any party reasonable attorney fees and other litigation costs reasonably incurred by any other party who substantially prevails in the action. Costs may be assessed against a plaintiff only where the court finds that he initiated the suit primarily for frivolous or dilatory purposes. In the case of assessment of fees or costs against an agency, they may be assessed against the United States.

Conference substitute

The conference substitute is the same as the House amendment.

Annual report to Congress

Senate bill

Section 4(j) of the Senate bill required the agencies subject to the requirements of section 4 to report annually to Congress regarding their compliance, including the total number of meetings open to the public, the total number closed to the public, the reasons for the closings, and a description of any litigation brought against the agency under section 4.

House amendment

Subsection (j) of new section 552b of the House amendment required each agency subject to the requirements of the section to report annually to Congress regarding its compliance, including the total number of meetings open to the public, the total number closed to the public, the reasons for the closings, and a description of any litigation brought against the agency under section 552b (including any fees or costs assessed against the agency in such litigation, whether or not paid by the agency).

Conference substitute

The conference substitute is the same as the House amendment.

Relationship to the Freedom of Information Act, 5 U.S.C. 552

Senate bill

Section 6(a) of the Senate bill provided that except as specifically provided in section 4, nothing in section 4 confers any additional rights on any person or limits the existing rights of any person to inspect or copy, under 5 U.S.C. 552, any documents or written material within the possession of any agency. In the case of any request made pursuant to 5 U.S.C. 552 to copy or inspect the transcripts or recordings described in section 4(e) of the Senate bill, the provisions of this Act govern whether the transcripts or recordings are to be made available in response to the request.

Section 6(a) also makes the requirements of chapter 33 of title 44, United States Code, inapplicable to the transcripts and recordings described in section 4(e) of the Senate bill.

The Senate bill contained no provision amending the third exemption set forth in 5 U.S.C. 552(b).

House amendment

Subsection (k) of new section 552b, as included in the House amendment, provided that other than as specifically provided in section 552b, nothing in section 552b expands

or limits the existing rights of any person under 5 U.S.C. 552, except that the provisions of this act govern in the case of any request made pursuant to 5 U.S.C. 552 to copy or inspect the minutes described in subsection (f) of new section 552b.

Subsection (k) also makes the requirements of chapter 33 of title 44, United States Code, inapplicable to the minutes described in subsection (f) of section 552b.

Section 5(b) of the House amendment amended the third exemption set forth in 5 U.S.C. 552(b) to include matters specifically exempted from disclosure by statute (other than the new section 552b), if the statute either requires that the matters be withheld from the public or establishes particular criteria for withholding or refers to particular types of matters to be withheld.

Conference substitute

The conference substitute provides that nothing in section 552b expands or limits the existing rights of any person under 5 U.S.C. 552, except that the exemptions in subsection (c) of section 552b shall govern in the case of any request made pursuant to 5 U.S.C. 552 to copy or inspect the transcripts, recordings or minutes described in subsection (f) of section 552b.

The conference substitute further provides that the requirements of chapter 33 of title 44, United States Code, shall not apply to the transcripts, recordings, and minutes described in subsection (f) of section 552b.

Section 5(b) of the conference substitute amends the third exemption in 5 U.S.C. 552 (b) to include information specifically exempted from disclosure by statute (other than new section 552b), if the statute either (a) requires that the information be withheld from the public in such a manner as to leave no discretion on the issue, or (b) establishes particular criteria for withholding or refers to particular types of information to be withheld.

The conferees intend this language to overrule the decision of the Supreme Court in *Administrator, FAA* v. *Robertson*, 422 U.S. 255 (1975), which dealt with section 1104 of the Federal Aviation Act of 1958 (49 U.S.C. 1504). Another example of a statute whose terms do not bring it within this exemption is section 1106 of the Social Security Act (42 U.S.C. 1306).

Authority to withhold information from Congress

Section 6(a) of the Senate bill, subsection (1) of new section 552b of the House amendment, and subsection (1) of section 552b in the conference substitute all provide that the open meeting provisions of the legislation (section 552b of the conference substitute) do not constitute authority to withhold information from Congress.

Closing of meetings otherwise required to be open

Senate bill

No comparable provision.

House amendment

Subsection (1) of new section 552b, as contained in the House amendment, provides that section 552b does not authorize the closing of any agency meeting otherwise required by law to be open.

Conference substitute

The conference substitute is the same as the House amendment.

Relationship to the Privacy Act of 1974 5 U.S.C. 552a

The Senate bill, the House amendment, and the conference substitute all provide that nothing in the open meeting provisions of this legislation (section 552b of the conference substitute) authorizes any agency to withhold from any individual any record, including the transcripts, recordings, and minutes required by these provisions, which is otherwise accessible to that individual under 5 U.S.C. 552a.

Relationship to Federal Advisory Committee Act, 5 U.S.C. App. I

Senate bill

No comparable provisions.

House amendment

Subsection (n) of new section 552b of the House amendment provided that in the event that any meeting is subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App. I) as well as the provisions of section 552b, the meeting is governed by the provisions of section 552b.

Subsection 5(c) of the House amendment amended the Federal Advisory Committee Act to make advisory committee meetings subject to the exemptions contained in the new 5 U.S.C. 552b (enacted by this act), rather than to the exemptions contained in 5 U.S.C. 552.

This provision in the House bill is addressed to a problem that has arisen in administration of the Federal Advisory Committee Act, enacted in 1972. In establishing a requirement in that Act that meeting of Executive Branch advisory committees should be open to the public, Congress adopted the exemption provisions set forth in the Freedom of Information Act (FOIA) to describe the few types of meetings that might properly be closed. Unfortunately, this approach has not been entirely satisfactory, largely because those exemptions were designed to deal with documents rather than meetings, and some agencies have closed advisory committee meetings for reasons not contemplated by Congress. The chief concern in this regard has been application of exemption 5, a provision intended to protect the confidentiality of purely *internal* governmental deliberations, as a basis for closing discussions with and among *outside* advisers. One court has given approval to the use of exemption 5 to close advisory committee meetings, *Aviation Consumer Action Project* v. *Washburn*, 535 F.2d 101 (D.C. Cir. 1976).

The House provision which was unanimously approved, is intended to cure this and similar problems by replacing the nine FOIA exemptions presently incorporated in the Federal Advisory Committee Act with the new exemptions of the Sunshine Act that have been expressly designed to govern meetings, as opposed to documents. This provision thus overrules the *Washburn* case and is intended to end agency reliance upon the "full and frank" discussion rationale for closing advisory committee meetings. Under this provision, portions of federal advisory committee meetings may be, but are not required to be, closed when they fall within one of the disclosure exemptions that are created for meetings of collegial bodies under section 552b of title 5, United States Code.

Conference substitute

Subsection 5(c) of the conference substitute amends the Federal Advisory Committee Act (5 U.S.C. App. I) to make advisory committee meetings subject to the exemptions contained in 5 U.S.C. 552b (enacted by this act).

The Conference substitute is the same as the House provision. The conferees, however, are concerned about the possible effect of this amendment upon the peer review and clinical trial preliminary data review systems of the National Institutes of Health. The conferees thus wish to state as clearly as possible that personal data, such as individual medical information, is especially sensitive and should be given appropriate protection to prevent clearly unwarranted invasions of individual privacy. While the conferees are sympathetic to the concerns expressed by NIH regarding its committees' funding recommendations and analysis of preliminary data, the conferees are equally sympathetic to concerns expressed by citizens' groups that important fiscal and health-related information not be unnecessarily withheld from the public.

With these competing interests in mind, the conferees have secured assurances that the appropriate House and Senate committees will review the unique problems of NIH under the new standards. Indeed, it is noted that the Subcommittee on Reports, Accounting and Management of the Senate Government Operations Committee has already held three days of hearings on this matter and plans to continue with further inquiry at an early date.

EX PARTE COMMUNICATIONS

Prohibition

Senate bill

Section 5(a) of the Senate bill added a new subsection (d) to 5 U.S.C. 557. Subsection (d) provided that in any agency proceeding subject to 5 U.S.C. 557(a), except as required for the disposition of ex parte matters as authorized by law—

(1) no interested person outside the agency shall make or knowingly cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communication relevant to the merits of the proceeding;

(2) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding shall make or knowingly cause to be made to an interested person outside the agency an ex parte communication relevant to the merits of the proceeding;

(3) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes, a communication in violation of subsection (d), shall place on the public record of the proceeding:

(A) written communications transmitted in violation of subsection (d);

(B) memorandums stating the substance of all oral communications occurring in violation of subsection (d); and

(C) responses to the materials described in the two preceding paragraphs;

(4) upon receipt of a communication knowingly made by a party, or which was knowingly caused to be made by a party in violation of subsection (d), the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy of the underlying statutes, require the person or party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected by virtue of such violation;

(5) the prohibitions of subsection (d) shall apply at such time as the agency might designate, but in no case later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it will be noticed, in which case the prohibitions shall apply at the time of his acquisition of such knowledge.

Section 6(a) of the Senate bill provided that the act does not authorize any information to be withheld from Congress.

House amendment

Section 4(a) of the House amendment added a new subsection (d) to 5 U.S.C. 557. Subsection (d) provided that in any agency proceeding subject to 5 U.S.C. 557(a), except as required for the disposition of ex parte matters as authorized by law—

(1) no interested person outside the agency shall make or cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communi-

cation relative to the merits of the proceeding;

(2) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be, involved in the decisional process of the proceeding, may make or cause to be made to any interested person outside the agency an ex parte communication relative to the merits of the proceeding;

(3) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes or cause to be made, a communication prohibited by subsection (d) shall place on the public record of the proceedings:

(A) all such written communications;

(B) memoranda stating the substance of all such oral communications; and

(C) all written responses, and memoranda stating the substance of all oral responses, to the materials described in the two preceding paragraphs;

(4) in the event of a communication prohibited by this subsection and made or caused to be made by a party or interested person, the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy of the underlying statutes, require the person or party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected on account of such violation; and

(5) the prohibitions of subsection (d) shall apply beginning at such time as the agency may designate, but in no case later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it would be noticed, in which case the prohibitions shall apply beginning at the time of his acquisition of such knowledge.

Subsection (d)(2), as added by the House amendment, provided that subsection (d) does not constitute authority to withhold information from Congress.

Conference substitute

The conference substitute is the same as the Senate bill, except as follows:

1. The requirement of placing material on the public record applies to an agency decisionmaking official who knowingly causes an ex parte communication to be made, as well as to one who receives or makes such a communication.

2. The conference substitute clarifies the time at which the prohibition on ex parte communications begins to apply.

3. The provision that subsection (d) is not authority to withhold information from Congress is included in the subsection as paragraph (2).

4. Although the conference substitute does not contain express provision for sanctions against an interested person (who is not a party) who makes a prohibited communication, the conferees intend that such a person be subject to all sanctions provided in the bill if he later becomes a party to the proceeding.

The word "relevant" is not used in the strict evidentiary sense, but is intended to apply to communications bearing on the merits or affecting the merits.

Definition of "ex parte communication"

Senate bill

Section 5(b) of the Senate bill defined an ex parte communication as an oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given.

House amendment

Section 4(b) of the House amendment defined an ex parte communication as an oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given. The definition expressly excluded requests for information on or status reports relative to any matter or proceeding covered by subchapter II of chapter 5 of title 5, United States Code.

Conference substitute

The conference substitute defines an ex parte communication as an oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given. The definition contained in the conference substitute expressly excludes requests for status reports on any matter or proceeding covered by subchapter II of chapter 5 of title 5, United States Code.

The conferees wish to note the fact that this provision and the ex parte provisions of new section 557(d) (as added by this act) in no way prohibit—

1. any communication with an agency decisionmaking official if not involving a formal adjudicatory proceeding (and a few formal rulemaking proceedings); or

2. any communication with a decisionmaking official if not relevant to the merits of a covered proceeding; or

3. any communication with a decisionmaking official in any proceeding at any time if it involves only a request for the status of the proceeding and is not intended to affect the merits; or

4. any communication at any time with an agency official not involved in the decisional process.

Sanctions

Senate bill

Section 5(c) of the Senate bill amended 5 U.S.C. 556(d) to permit an agency, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, to consider a violation of 5 U.S.C. 557(d), as added by this act, sufficient grounds for a decision on the merits adverse to a party who has knowingly committed or caused the violation.

House amendment

Section 4(c) of the House amendment amended 5 U.S.C. 556(d) to permit an agency, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, to consider a violation of 5 U.S.C. 557(d), as added by this act, sufficient grounds for a decision on the merits adverse to a person or party who has committed or caused the violation.

Conference substitute

The Conference substitute is the same as the Senate bill.

CONFORMING AMENDMENT AND EFFECTIVE DATES

U.S. Postal Service

Senate bill

No comparable provision.

House amendment

Section 5(a) of the House amendment amended 39 U.S.C. 410(b)(1) to make clear the fact that new section 552b and the Privacy Act of 1974 (5 U.S.C. 552a) apply to the United States Postal Service.

Conference substitute

The conference substitute is the same as the House amendment.

Effective dates

The Senate bill, the House amendment, and the conference substitute all provide that this act shall take effect 180 days after the date of its enactment, except that the provision requiring the promulgation of agency regulations to implement the open meeting provisions (new section 552b(g)), as contained in the conference substitute, shall take effect upon enactment.

JACK BROOKS,
JOHN E. MOSS,
DANTE B. FASCELL,
JOHN CONYERS, Jr.
BELLA S. ABZUG,
WALTER FLOWERS,
GEORGE E. DANIELSON,
BARBARA JORDAN,
ROMANO L. MAZZOLI,
EDWARD W. PATTISON,
FRANK HORTON,
PAUL N. MCCLOSKEY, Jr.,
CARLOS J. MOORHEAD,
THOMAS N. KINDNESS,
Managers on the Part of the House.

ABE RIBICOFF,
EDMUND S. MUSKIE,
LEE METCALF,
LAWTON CHILES,
CHARLES H. PERCY,
JACOB K. JAVITS,
WILLIAM V. ROTH, Jr.,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO HAVE UNTIL MIDNIGHT TOMORROW, AUGUST 27, 1976, TO FILE A REPORT ON H.R. 14886

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight, Friday, August 27, 1976, to file a report on the bill (H.R. 14886) to amend the Presidential Transition Act of 1963.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON S. 217, REPEAL OF ACT OF MAY 10, 1926, RELATING TO CONDEMNATION OF PUEBLO INDIAN LANDS IN NEW MEXICO

Mr. MEEDS submitted the following conference report and statement on the Senate bill (S. 217) to repeal the Act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico:

CONFERENCE REPORT (H. REPT. No. 94-1439)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 217) to repeal the Act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with the following amendment: In lieu of the matter proposed to be inserted by the House amendment insert the following:

SEC. 3. The Act of April 21, 1928 (45 Stat. 442), is hereby amended by striking all after the enacting clause and inserting, in lieu, the following:

"That the provisions of the following statutes:

"Sections 3 and 4 of the Act of March 3, 1901 (31 Stat. 1083 and 1084);

"The Act of March 2, 1899 (30 Stat. 990), as amended;

"Sections 1 and 2 of the Act of March 11, 1904 (33 Stat. 65), as amended; and

"The Act of February 5, 1948 (62 Stat. 17), are extended over and made applicable to the Pueblo Indians of New Mexico and their lands, whether owned by the Pueblo Indians or held in trust or set aside for their use and occupancy by Executive order or otherwise, under such rules, regulations, and conditions

as the Secretary of the Interior may prescribe.

"SEC. 2. Notwithstanding such provisions, the Secretary of the Interior may, without the consent of the affected Pueblo Tribes, grant one renewal for a period not to exceed 10 years of any right-of-way acquired through litigation initiated under the Act of May 10, 1926 (44 Stat. 498), or by compromise and settlement in such litigation, prior to January 1, 1975. The Secretary shall require, as compensation for the Pueblo involved, the fair market value, as determined by the Secretary, of the grant of such renewal. The Secretary may grant such right-of-way renewal under this section only in the event the owner of such existing right-of-way and the Pueblo Tribe involved cannot reach agreement on renewal within ninety days after such renewal is requested. Nothing in this section shall be deemed to validate or authorize the renewal of a right-of-way which is otherwise invalid by reason of the invalidity of the Act of May 10, 1926, on the date said right-of-way was originally obtained."

And the House agree to the same.

LLOYD MEEDS,
JOHN MELCHER,
ROBERT G. STEPHENS,
DON YOUNG,
Managers on the Part of the House.

HENRY M. JACKSON,
LEE METCALF,
JAMES ABOUREZK,
JAMES A. MCCLURE,
DEWEY F. BARTLETT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 217) to repeal the Act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico, submit the following joint statement to the House and the Senate in explanation of the effect of the action by the managers and recommended in the accompanying conference report:

The House amendment added a new section 3 at the end of the text of the Senate bill, and the Senate disagreed to the House amendment.

The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House and agree to such amendment with an amendment. The differences between the Senate bill, the House amendment thereto, and the amendment to the House amendment agreed to in conference are noted below except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

S. 217, as passed by the Senate on May 21, 1975, repeals the Act of May 10, 1926, which subjected the lands of the New Mexico Pueblo Indians to condemnation under State law. It provides for the termination of any action or proceeding pending or commencing under such Act upon the enactment of the Senate bill, but preserves any right of appeal from a final decree or order entered before enactment of this legislation.

The 1926 Act exposes Pueblo Indian lands to a wider range of liability for condemnation than that of other Indian tribes in the State and throughout the Nation, and subjects the Pueblos to a type of action from which the other tribes are immune.

As a consequence, the 1926 Act denies the Pueblos the right of consent in considering applications for rights-of-way across their lands for whatever purpose. On the other hand, those tribes that organized constitutional governments pursuant to the Act of June 18, 1934 (48 Stat. 987), clearly, were provided the right of consent in considering rights-of-way applications. Moreover, the balance of federally recognized tribes have been granted the privilege of consent through Secretarial regulations.

It is the purpose of the Senate bill to place the New Mexico Pueblo Indians in the same position relative to grants of rights-of-way across their lands as other federally recognized Indian tribes. The House amendment adds a new section 3 to the Senate bill amending a 1928 statute making certain general statutes providing for rights-of-way across Indian lands applicable to the lands of the Pueblo Indians of New Mexico. One of such general statutes, the Act of February 5, 1948 (67 Stat. 17), permits the Secretary of the Interior to grant rights-of-way for all purposes across Indian lands, but clearly provides that tribes organized pursuant to the Indian Reorganization Act of 1934 and the Oklahoma Welfare Act of 1936 must consent to such grant (five of the nineteen Pueblos organized under the 1934 Act). Moreover, by administrative regulations promulgated under the general statutory authority of the Secretary of the Interior (25 C.F.R. 161.3), the Secretary has extended the consent requirement to rights-of-way to all Indian lands.

In addition to the foregoing provisions contained in the new section 3 as added by the House amendment, the House amendment adds a proviso which provides that if the owner of an existing right-of-way and the Pueblo tribe involved cannot agree to a renewal or widening of a right-of-way or have not entered into a binding arbitration process relative to such renewal or widening within 60 days after a request is made for renewal or widening, the Secretary of the Interior, in his discretion, may grant the right-of-way for appropriate compensation, notwithstanding the absence of Pueblo consent.

This proviso, as contained in the new section 3 added by the House amendment, has the effect of negating the Pueblos' right to exercise the privilege of consent on requests pertaining to widening or renewal of existing rights-of-way (whether granted pursuant to the 1926 Act or voluntarily), notwithstanding their statutory or administrative right to exercise such consent, which would obtain after repeal of the 1926 Act.

It is the foregoing proviso in the new section 3, as added by the House amendment, which is in disagreement.

The conferees agreed to accept the provisions of the House amendment with certain modifications to the proviso of the new section 3, as added by the House amendment, authorizing Secretarial grants of right-of-way renewal across Pueblo lands without Pueblo consent.

The conferees agreed to strike out such proviso and insert, in lieu thereof, a new section 2 to the 1926 Act being amended by such section 3 of the House amendment.

The conference agreement authorizes the Secretary of the Interior to grant a right-of-way renewal across Pueblo lands without Pueblo consent in limited cases. He may grant such renewal only in those cases where the original right-of-way was obtained through litigation initiated under the 1926 Act, or by compromise and settlement in such litigation, prior to January 1, 1975. He is limited to granting only one such renewal for a period not to exceed ten years and only if the Pueblo involved and the owner of the original right-of-way fail to negotiate a renewal within 90 days after the request for renewal by the owner of the right-of-way.

Under the conference agreement, the Secretary must require the payment of fair market value as compensation to the Pueblo for such grant.

Finally, the conference agreement provides that no renewal of a right-of-way under this section may be authorized without the consent of the Pueblo if such right-of-way is declared invalid because of the invalidity of the 1926 Act upon the date of the original acquisition of such right-of-way.

LLOYD MEEDS,
ROBERT G. STEPHENS,
JOHN MELCHER,
DON YOUNG,
Managers on the Part of the House.

HENRY M. JACKSON,
LEE METCALF,
JAMES ABOUREZK,
JAMES A. MCCLURE,
DEWEY F. BARTLETT,
Managers on the Part of the Senate.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on an amendment of the Senate to the bill (H.R. 8800) entitled "An act to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles."

The message also announced that Mr. BELLMON be a conferee, on the part of the Senate, on the bill (H.R. 8603) entitled "An act to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes."

The message also announced that Mr. CHILES be a conferee, on the part of the Senate, on the bill (H.R. 14262) entitled "An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes."

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished acting majority leader, the gentleman from California (Mr. MCFALL), if he is in a position to inform the House as to the program for the balance of the week and the week following.

Mr. MCFALL. If the distinguished minority leader will yield, I will be happy to respond to his inquiry.

Mr. RHODES. I yield to the gentleman from California.

Mr. MCFALL. There is no further legislative business for today, as the gentleman knows.

Upon the announcement of the program for next week, I will ask unanimous consent to go over until Monday.

The program for the House for next week is as follows:

On Monday, we will conclude the consideration of the bill that we started to-

day, H.R. 8911, supplemental security income amendments;

H.R. 9398, Economic Development Administration, under an open rule with 1 hour of debate; and

H.R. 14844, estate and gift tax reform, a modified closed rule, with 4 hours of debate.

On Tuesday, H.R. 14844, estate and gift tax reform, votes on amendments and the bill;

H.R. 13636, Law Enforcement Assistance Administration, under an open rule with 2 hours of debate; and

Continued consideration of H.R. 10498, Clean Air Act amendments.

On Wednesday and Thursday, the House will consider H.R. 14238, legislative appropriations, fiscal year 1977;

Conclude consideration of H.R. 10498, Clean Air Act amendments;

H.R. 13958, defense officer personnel, under an open rule with 1 hour of debate; and

H.R. 13615, Central Intelligence Agency retirement, under an open rule with 1 hour of debate.

Of course, conference reports may be brought up at any time, and any further program will be announced later.

As the distinguished minority leader knows, the House will recess from the close of business Thursday, September 2, 1976, until noon, Wednesday, September 8, 1976.

ADJOURNMENT TO MONDAY, AUGUST 30, 1976

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RHODES. Mr. Speaker, may I ask of the distinguished acting majority leader as to the probable hour of adjournment on Thursday?

Mr. McFALL. If the gentleman will yield, I would have to answer the gentleman's question by saying it will be a reasonable time. I would think that reasonable time would take into consideration the desires of the Members to catch their airplanes, because almost everyone, including the gentleman from California who is presently speaking, intends to go out for Labor Day meetings.

I would think that it would be very reasonable to try to conclude around 4 o'clock, but I cannot at this time make any sort of promise because we will have to see how the program proceeds. The Speaker will have to make that determination.

Mr. RHODES. I think the gentleman has made a rather reasonable definition of the word "reasonable" as being 4 o'clock.

May I ask further of the gentleman, there have been rumors going around concerning a rule to be sought for the legislative appropriations bill for fiscal year 1977. Does the gentleman have any details as to whether or not a rule will be sought and what limitations there will be?

Mr. McFALL. If the gentleman will yield, I am advised that there have been conversations between Members on our side of the aisle concerning that question. Meetings have been held between the leadership of the House Administration Committee and the Committee on Rules. I am not yet fully advised as to what might be requested in that rule.

However, consideration has been given to making such a request to the Committee on Rules next week.

Mr. RHODES. Mr. Speaker, I might say to my good friend, the acting majority leader, that the minority is very much interested in this bill and particularly interested in offering some amendments to it. If it were decided that a rule which is either closed or partially closed were to be requested, I am satisfied that there would be resistance.

Mr. McFALL. Mr. Speaker, I can understand the gentleman's position on that and the position of the Members on his side of the aisle. The only thing I could say is that we will have to wait for the regular procedure. There will be an application to the Committee on Rules.

Of course, the members of the minority on the Committee on Rules will be fully advised in the regular way.

Mr. RHODES. Mr. Speaker, I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I just wanted to say to the distinguished acting majority leader that it has become almost a ritual over the last 3 months for some Member on our side to ask each week when the legislative appropriations bill is going to come before us. Throughout that entire period of time there was never any indication that it was to come to us in any way except completely open, with a chance for the House to work its will. The only reason I can see for a closed rule or even a partially closed rule would be to prevent the embarrassment of Members of the House if they are asked to vote on whether or not they wish another automatic pay raise. I hope the majority is not, in the full view of the country and the press, going to deny the Members of the House the right to act on these issues which have come under very close scrutiny in the last few months. I hope that the gentleman will recommend that there be no rule, that it be brought up in the regular manner as any other appropriation bill, and that the Members be allowed to work their will on the issue.

Mr. McFALL. Mr. Speaker, if the minority leader will yield further, I am not fully advised as to what the request will be. However, I have been in attendance at some of the meetings.

The steering committee on our side met on this matter and had some preliminary discussions on it. The Members on our side, knowing full well of the gentleman's interest in the pay raise, which is automatic, I believe, on October 1, depending on what sort of a recommendation the President makes, understand it is a matter on which the Members on his side would desire to have a vote.

Mr. Speaker, I believe that would be one of the matters which would be permitted under the rule, so that there would be an opportunity for the expression of an opinion by a vote in this House on that issue.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield further?

Mr. RHODES. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, it is the information of the gentleman from Maryland that the distinguished acting majority leader is going to visit Maryland this weekend. In fact, he read that in the local press in his district. The gentleman is going to St. Mary's County, the first county in the State of Maryland and the one where our settlers first began.

I want to welcome the gentleman to Maryland, and I hope he has a wonderful time. Our hospitality is very expansive, the food is delectable, the land is beautiful, our crabs delicious, and the gentleman is one of the most gracious Members of the majority. I am sure that "expansive" is the right word and may I say further to the gentleman from California that I hope he enjoys the "Land of Pleasant Living."

Mr. McFALL. Mr. Speaker, I understand it is a delightful section of the State of Maryland. I have not been out there for any purpose before, and I hope to find that everyone is friendly and happy. I look forward to my journey there on Sunday.

Mr. BAUMAN. My hope is that at least the majority of the people are happy.

Mr. McFALL. I will say to the gentleman that it is certainly good crab country.

Mr. RHODES. Mr. Speaker, I understand that they call it the land of pleasant living.

AN ANALYSIS OF FORD'S ATTACK ON THE DEMOCRATIC CONGRESS

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, I am indebted to our colleague, the gentleman from Texas, Mr. JIM WRIGHT, for candid analysis of President Ford's attack upon their Democratic 94th Congress.

I shall refer to only one portion of it and ask that the entire response be placed in the RECORD as a part of my remarks.

The President said in his speech in Kansas City last week:

> I have demanded honesty, decency and personal integrity from everybody in the Executive Branch . . . The House and Senate have the same duty.

Mr. Speaker, that was an obviously pious and self-serving observation.

I do so wish there might be an upgrading and improvement in the presenting of issues to the electorate this year. Improvement is long overdue.

Congress, to be sure, is an imperfect instrument composed of imperfect human beings; but at least we are trying to serve the people well and to uphold the standards of accountability.

This Congress has tightened the requirements through the election laws. As a matter of fact, we opened up chairmanships and made chairmen responsible to their peers, to approval from Congress to Congress. This was a first.

As a matter of fact, we opened our markup sessions and even the work of conference committees to the scrutiny of the press. This was never done before. This is another first for the 94th Congress.

Mr. Speaker, we hope that the President himself will upgrade his campaigning in this election year and not resort to the old schmaltzy techniques that only turn mature and sensible people away from the electoral process.

Mr. Speaker, the statement of the gentleman from Texas, JIM WRIGHT, follows:

AN ANALYSIS OF FORD'S ATTACK ON THE DEMOCRATIC CONGRESS

(By JIM WRIGHT)

(Quotes from Aug. 19 Acceptance Speech, with Factual Refutation)

1. President Ford said: "America and Americans have made an incredible comeback since August, 1974."

The facts: According to offcial Bureau of Labor Statistics reports, the unemployment rate was 5.4% in August, 1974. It was 7.8% in August, 1976. The number of jobless Americans has risen by more than two million since Gerald Ford became President.

Meanwhile, the cost of living (Consumer Price Index) has increased by 14.2% since August, 1974. Do these figures represent "an incredible comeback?" The incredible thing is that the Republican administration and Republican lawmakers can find cause for self-congratulation in these dismal statistics.

More than seven million people today are unable to find work. A greater number of Americans have been unemployed for a longer time during the Ford administration than for any commensurate period in the past 30 years—since World War II! And that is the essential difference between us. We Democrats believe that America can do better than that!

2. The President said: "the great progress we have made . . . was in spite of the majority who run the Congress."

The truth: That depends entirely on what he calls "progress." To the extent that we've created a tentative if still inadequate degree of recovery from the depth of the trough (8.9% unemployed in the summer of 1975), that recovery clearly must be attributed to Congressional initiatives. And if each of the original Congressional initiatives had been allowed to stand, that recovery most certainly would have been much further along by now.

Witness the following factual recitation:

(1.) On March 26, 1975, Congress passed a $22.8 billion tax cut to stimulate consumer purchases and business investments in the private economy. In the summer of 1975, the Federal Reserve increased short-term interest rates by more than one-third, largely canceling the stimulative effects of the tax cut.

(2.) On May 16, 1975, Congress passed a $5.3 billion appropriation to finance the creation of more than a million public service jobs. Ford vetoed the bill and Congress failed by only 5 votes to muster the two-thirds necessary to override. Congress then responded with a smaller bill, for 310,000 jobs, which the President signed.

(3.) On June 11, 1975, Congress passed a housing bill designed to put some 800,000 Americans to work in the private economy building needed houses. Ford vetoed the bill. Congress barely failed to override. Then Congress enacted a smaller bill, which the President reluctantly signed.

(4.) On January 29, 1976, with 18% unemployed in the building trades and up to 40% in some areas, Congress passed the $6.2 billion Public Works Capital Investment Act. This would have engaged 600,000 workmen, mostly in the private sector, to build needed public facilities—libraries, schools, sewer and water improvements. The President vetoed the bill. The House overrode handily; the Senate failed by 3 votes.

(5.) On June 23, Congress countered with a reduced verison of the above ($3.9 billion) to employ some 350,000 jobless in needed public construction. The President vetoed even this. While willing to spend $19 billion in unemployment compensation, he was unwilling to spend $3.9 billion to put unemployed Americans back to work at useful tasks. This time Congress overrode the veto, and this bill went into effect.

(6.) In December, 1975, Congress extended the tax cut. Although he had formally called for the extension, Ford vetoed the bill, demanding the inclusion of certain extraneous cosmetic language. In order that the public might have the benefit of the tax reductions, Congress drafted a compromise verison of the language the President demanded and repassed the bill on December 19.

It is easy to see from the above that, in every case. The initiative for economic recovery has originated in the Congress. The President has dragged his feet on each occasion, stalled and complained, and finally assented only with the greatest reluctance.

3. The President said: "Fifty-five times I vetoed extravagant and unwise legislation. Forty-five times I made those vetoes stick."

A bit of perspective: Two years ago President Ford was seeking to frighten the public over the spectre of a "veto-proof Congress." We certainly haven't been that. But he clearly has been the most veto-prone President in recent history. Fifty-five vetoes in 24 months. That's 2½ vetoes a month, or an average of one every twelve days!

By contrast: During the first 20 years of our nationhood—through the Administrations of Presidents Washington, Adams and Jefferson—there were only two vetoes in all. Ford has vetoed more bills in only two years that the first 15 American Presidents vetoed throughout the first 70 years of our history.

Those who wrote the Constitution would have been appalled! Hamilton wrote in the Federalist Papers that the veto was created as an unusual instrument to be reserved for extreme occasions. He predicted it would be rarely resorted to. Emphatically the authors of the Constitution never intended it as a device to enthrone the President nor to frustrate and obstruct the repeatedly asserted will of the people's elected representatives.

No, this hasn't been a "veto-proof" Congress. But, largely as a result of President Ford's abuse of this privilege, he has suffered a greater percentage of overrides than any President in the past 100 years—back to and including Ulysses S. Grant.

To the degree that there has developed an atmosphere of conflict and stalemate between the Executive and Legislative branches, to the detriment of the public business, quite manifestly this must be laid at the door of our most veto-happy President who, with such total lack of self-restraint, has tried to use the instrument as a bludgeon to dictate the precise terms of legislation—a power never intended for any President.

4. President Ford said: "I called for a permanent tax cut . . . Congress won't act."

As pointed out above, Congress acted twice. The President, meanwhile, has paid only lip service to the principle of meaningful tax cuts. On one occasion, he let the Federal Reserve cancel their effect by raising interest rates. On another, he vetoed the bill. It must take exceptional gall to assert that "Congress won't act."

5. President Ford said: "I called for reasonable, constitutional restrictions on court-ordered busing of school children . . . Congress won't act."

The truth: Congress on no fewer than nine occasions during the past eight years has passed legislation containing restrictions upon the power of courts and administrative officials to order cross-town busing. On several occasions these laws have contained prohibitions against ordering the busing of any student to any school except the one "closest or next closest" to the student's home. For the most part, the courts have declared these provisions to be unconstitutional. Surely President Ford knows this. He was a member of Congress during much of that time. If he knows of some "constitutional" way to achieve the objective, one wonders why he didn't come forward with it when he was House Minority Leader.

6. President Ford said: "We will go on reducing the deadweight and the impudence of bureaucracy."

The fact: The bureaucracy has not been appreciably reduced. In January, 1969, civilian employees of the government totalled 2,969,000. Today they total 2,866,000. The eight-year decrease of about 3% has come about largely through the elimination of people-oriented programs.

But there has been a pronounced growth, ironically, in the Executive Office of the President. When Lyondon Johnson left office, there were 261 employees working directly for the President. Today there are 519—twice as many.

As for the "impudence" of bureaucracy, the Nixon-Ford years have spawned an enormous growth in the promulgation of administrative regulations, often directly counter to the intent of Congress, which intrude needlessly upon the daily lives of our citizens.

Since January of 1975, while Congress was enacting a total of 393 public laws, the administrative bureaucracy was writing over 95,000 pages of regulations—each of which has the full effect of law! Ford is right in saying that the arrogance of administrative lawmaking by appointed officials needs desperately to be curbed. But he most certainly has not curbed it! And, since the proliferation of this activity lies solely within the Executive branch of government, the Chief Executive is the only one who can.

7. President Ford said: "We will submit a balanced federal budget by 1978."

The history of Presidential budget submissions tells a vastly different story. Rhetoric is one thing. Facts are another.

During the eight Kennedy-Johnson years, the Presidential budget requests averaged a $1.6 billion annual deficit. During the eight Nixon-Ford years, the average annual deficit of Presidential budget requests has been $14.3 billion. For Fiscal 1976, the Ford budget request reflected a $47.8 billion deficit. These are the facts.

The overpowering reason for the hugely increased deficits during Nixon-Ford years, of course, has been the unconscionably high level of unemployment which Republican presidents have been willing to tolerate. There is a direct correlation. In testimony before the House and Senate Budget committees, both conservative and liberal economists have agreed to a basic rule of thumb: Each additional percentage point of unemployment generates an adverse budgetary impact of approximately $16 billion! Each time unemployment goes up by one percent, the Treasury loses about $12 billion from people who are no longer paying taxes because they're no longer working. And

the government is obliged to pay about $4 billion more in unemployment compensation and related welfare costs.

The deficit this year—with 7.8% currently unemployed—will be approximately $51 billion. If the unemployment level were down to a healthier figure of 4.8%, the deficit at the present level of expenditures would be about $3 billion. If it were 4.5%, the budget would be balanced. It is fatuous, therefore—and cruelly irresponsible—to talk glibly about balanced budgets without first talking about how we're going to get Americans back to work—off the unemployment and welfare rolls and back onto productive payrolls!

8. President Ford, while trying to claim personal credit for having "saved American taxpayers billions and billions of dollars", and while castigating what he called a "free-spending congressional majority," then charged that "They (Congress) slashed $50 billion from our national defense needs in the past decade."

Well, it's a little hard here to know just what he means. Where he gets the figure is anybody's guess. Apparently he feels Congress should have spent $50 billion more than it did over the past ten years for military manpower and hardware.

But we can't have it both ways of course. And there is no realistic way to speak of saving "billions and billions" unless we try to trim some of the fat from the most costly single item of government, and that is the military. The Democratic Congress appropriated $90.2 billion for defense needs in 1976, and has budgeted $100.8 billion for fiscal 1977. That isn't peanuts. To try to brand Democrats as "anti-defense" just won't wash. It smacks uncomfortably of a latter-day McCarthyism. It is a comment unworthy of the President.

9. The President said: "I have demanded honesty, decency and personal integrity from everybody in the executive branch. . . . The House and Senate have the same duty."

Oh, for Pete's sake, Jerry. How piously can you pose? Do you really mean that "honesty, decency and personal integrity" are partisan virtues? Of course they aren't, and you know it. Surely you're not contending that nobody in the Republican executive branch has done any wrong.

Congress, to be sure, is an imperfect instrument, composed of imperfect human beings. We make no claim to perfection. But at least we're trying, very hard, to uphold the standards of public accountability. This Congress has tightened up the accounting requirements under the election laws and provided penalties for violations. We have made committee chairmen come before their peers for approval of their stewardship. We have opened our mark-up sessions—even our conference committees—to the scrutiny of the press. We have removed certain chairmen from their posts. We have voted censure against a member who, probably unintentionally, neglected to make full disclosure of outside income. We have voted to require documented, signed and certified vouchers for all disbursements. We've required every member to provide a monthly certification of the salaries and official duties of every person on his office payroll. At least we're trying, Jerry, poor mortal folks that we are. And that's better, we think, than a pretense at piety.

10. The President said: "Those who make our laws today must not debase the reputation of our great legislative bodies."

We agree. Neither, we think, should the President deliberately try to debase that reputation.

DISTINGUISHED AUTHOR REPORTS ON HUMAN RIGHTS VIOLATIONS IN URUGUAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 30 minutes.

Mr. DRINAN. Mr. Speaker, increasingly repressive actions by military governments have become disturbingly commonplace in several Latin American countries. Reports of such activities in Uruguay, Chile, and Argentina are horrifying to all those who respect human rights and democratic principles.

The House Committee on International Relations has been investigating the deplorable human rights conditions in Uruguay. Not only are residents of that nation subject to repression and terrorism by their own government, but they confront a similar situation when they attempt to seek refuge in Argentina. I have joined 35 of my colleagues in the House in cosponsoring House Concurrent Resolution 656, which calls upon the Attorney General to parole these oppressed refugees in Argentina into the United States, where they will at last be able to live without constant fear of torture or loss of life. In the absence of action by the administration, Congress must reassert America's respect for basic human rights by passing House Concurrent Resolution 656, and by considering the termination of all military assistance to nations which violate the fundamental rights of their citizens.

In the August 14 issue of the Nation, Mrs. Rose Styron, a distinguished poet, translator, and board member of Amnesty International, described the conditions in Uruguay and Argentina, and America's unacceptable failure to take action against this most objectionable situation.

The article follows:

URUGUAY: THE ORIENTAL REPUBLIC

(By Rose Styron)

On June 12, 1976, the constitutionally elected President of the Republic of Uruguay, Juan Bordaberry, was deposed by the military to whom he had been selling his power since 1972. Beyond certain murmurs of surprise, the event caused little reaction in Montevideo or in world diplomatic circles. The media reported it perfunctorily: Jonathan Kandell's piece in *The New York Times* was possibly the single major story to appear in North America. Uruguay, after all, is small, distant and poor in the resources Yankees covet from their neighbors. Until recent years, it boasted a history of peace, democracy and political stability that earned it a most unprovocative nickname—"the Switzerland of Latin America."

Military dictatorships are more the rule than the exception these days in the Americas. At a conference of army commanders from fifteen American countries held in Montevideo last October, host General Vadora, addressing his colleagues, justified hard right-wing rule by declaring that "Communists were bombarding the continent with a political campaign of distortion and misinformation, using international media." The United States, which gave the conference no publicity, was one of only five countries represented there whose governments were not run or openly backed by the military. After the military commanders went home, there was a wave of arrests and a renewal of torture all over Latin America. In Uruguay alone 800 were detained. Bordaberry, offering himself to his generals for "re-election" in November, outlined a scheme to make their control constitutional. Instead, the generals voted secretly (16 to 1) to oust Bordaberry, forgo elections, and forget the cumbersome pretense of parliamentary rule until 1984.

Months before June, word had begun to reach the outside world that all was not Swiss in Uruguay. Bordaberry's government seemed to be conducting an ugly campaign of terrorization, a brutal and systematic repression parallel to that of Chile. In 1974 the International Commission of Jurists and Amnesty International had sent a joint mission to Montevideo to investigate charges that human rights were being violated. They submitted their findings on illegal detention and maltreatment of political prisoners to Uruguayan officials, and since then neither they nor any other human rights organizations have been allowed to enter the country. Three requests to Bordaberry in 1976 for a nonpartisan, international on-site investigation have been flatly denied.

Meanwhile, officials of the U.S. Government—among them Robert McCloskey, assistant secretary for Congressional relations at the State Department—have more than once misrepresented the ICJ-AI report to members of Congress. Last year McCloskey claimed in a series of letters that "security laws have been applied primarily to Tupamaros," though even Bordaberry acknowledged that this urban guerrilla movement of the 1960s, which in its day fired the imagination of so many middle-class youths, had been totally destroyed before he dissolved parliament in June 1973. It is known that 50,000 to 60,000 persons have been interrogated or imprisoned in the past four years (one in every forty-five citizens), of whom some 5,000 remain in jail today. This is the highest per capita concentration of political prisoners in the world. McCloskey suggested that torture "was not a policy of the Uruguayan Government," but "isolated acts in apparent violation of government policy." Amnesty International published full documentation on twenty-two prisoners who had died under torture before December 1975, and seven who were tortured to death since then. If strict censorship and threats of reprisal were not government policy in Uruguay, the documented cases might be more numerous. Ten per cent of Uruguay's population has left the country.

McCloskey further stated that the ICJ considered the Uruguayan Government to be "doing everything possible to reduce the risk of mistreatment of political prisoners." ICJ President Niall MacDermott sternly rejected this assertion in a letter from Geneva. Although members of the joint mission were not allowed to visit military establishments, where the most serious abuses occur, nor permitted to speak with prisoners, the ICJ-AI delegates concluded on the basis of talks with defense attorneys that "at least 50 per cent of all the political prisoners arrested [had] been the object of mistreatment or torture." According to AI, virtually all political prisoners, including those detained briefly for interrogation, are forced to stand hooded for hours, sometimes for days, often naked, without food or water. In addition, 70 to 80 per cent of all prisoners are subjected to torture by electric shock or the "submarine"—immersion of the prisoner's head down in a tank of filthy water and excrement to the point of near asphyxiation—a form of torture highly regarded because it leaves bad psychological, but no physical, scars.

In late February, Sen. Edward Kennedy wrote a letter of inquiry about Uruguay to William Rogers, the Under Secretary of State for Economic Affairs who then headed State's Inter-American Department. Rogers, one of the most thoughtful men in the State Department, replied on March 2 that repression in Uruguay was a thing of the past, that to his knowledge only one large-scale arrest had taken place (the one in November 1975 when the authorities seized 150 persons who allegedly possessed illegal weapons or spread Communist propaganda). But the record shows that on January 11, 700 more were arrested, along with Bordaberry's only important rival still in Uruguay, the 1971 Frente Amplio candidate, Gen. Liber Seregni. Se-

regni, who had just been released after eighteen months in jail, was again incommunicado. Rogers went on to remark that the traditional good relations between the United States and Uruguay still permitted "the discussion of sensitive issues in an atmosphere of friendly frankness," citing the assurances of good will and just behavior U.S. and Canadian officials had accepted from Bordaberry. Who was kidding whom?[1]

For its size, Uruguay has a huge defense budget. What is it for? The United States has been sending military aid to Uruguay—$3 million to modernize its army. Why? Its huge neighbors, Argentina and Brazil, could crush it if they chose, army or no. And why is our executive pretending to our legislature that everything is fine? Is U.S. policy toward Uruguay being based exclusively on information sent back by Ambassador Siracusa, a staunch anti-leftist? Informed inquiries to him from Congress have produced puzzling replies.

Having focused their winter attention on problems in Chile and our new favored ally Brazil, concerned Reps. Edward Koch, Donald Fraser and Michael Harrington, and Senator Kennedy have now begun to pursue the facts on Uruguay. Censorship of mail, television and the press, the closing of *Marcha* and imprisonment of its editors and writers, the destruction of academic freedom, the suppression of political parties and trade union activity and civilian legal rights have been noted and discussed.

Invalids, the elderly and children are not excluded from torture. In several instances over the past months adolescents of 12 and 14 have been arrested and shockingly mistreated while incommunicado. A phychiatrist who treated one boy fled Uruguay with his son soon afterward. Doctors in Uruguay as in Chile have been severely persecuted for treating dissidents. Dr. Beresmuda Beralta who treated a wounded Tupamaro four years ago, is rotting in jail even though he declared he was against the Tupamaros but had acted out of conscience. On March 25, Representative Koch surprised the Congress by calling Uruguay "the main torture chamber of Latin America." He may have read AI's fresh report on torture in Uruguay and the Uruguayan press's fierce daily denials and attacks on the agency as a Communist front (AI's thick new publication, *Prisoners of Conscience in the USSR*, was conveniently ignored).

The report proceeds chronologically, beginning with the secret mutilation and murder of Luis Carlos Batalla which caused a scandal in May 1972, the first and last case of death under torture to be officially admitted. A 32-year-old building worker and father of two, Batalla had been a member of the Christian Democratic political party. He is not known to have engaged in any illegal activities. It is believed he was apprehended and interrogated in an attempt to extract names of persons who might be linked with the Tupamaros. No charges were brought against Batalla, either before or after his death in a military barracks. The official death certificate read "acute anemia caused by liver rupture." Later this was officially admitted to be false.

In another case, the body of Alvaro Balbi was returned to his family two days after his arrest. The authorities claimed he had died of an asthma attack, though he had never suffered from asthma. An autopsy, authorized by a civil judge at the request of his family, revealed a crushed thorax, burned genital organs, fractured legs and a ruptured liver. Now when bodies are returned to their families, the military forbids the opening of the coffins. The police frequently disrupt funerals, chase away mourners, and desecrate graves as part of the campaign "to eliminate subversion," especially when the coffin lid has been raised and the stated cause of death—"acute lung edema" or "suicide by poison"—was challenged by the absence of legs or the presence of knife or bullet wounds, soldering-pipe burns and multiple head fractures.

In the same week that Koch addressed Congress, a remarkable letter from a Uruguayan military man (prudently unidentified in the press, though impeccable sources have vouched for his authenticity) was sent out through Buenos Aires and published in Europe, along with the first two photographs of men under torture that human rights organizations believed to be genuine. The letter began:

"I am an officer of the Uruguayan Army. If I have come to the decision, for me a very important one, to write this letter, it is for one reason and one reason only: the revulsion I feel for all that I have the misery of witnessing, and worse still, in some cases, of taking part in. It has become intolerable for me. . ."

The photographs recall Goya. One is of a hooded but otherwise naked man, his wrists handcuffed behind his back, his feet dangling in air, straddling a bar. We are told the bar is of iron with a cruel cutting edge, *el cabellete* (the sawhorse), and that the prisoner has been sitting thus for hours. The other is of a hooded man suspended by his wrists, enduring *la bandera* (the banner). The photo was taken when he had been hanging in a sun of at least 80° F., for three hours, after which he hung for several more. The letter describes other forms of torture whose applications have become routine in 1976 Uruguay: the submarine, the electric prod (applied to testicles), the telephone (an electric cable attached to each earlobe):

I have seen the strongest officers and noncommissioned officers selected to punish prisoners with clubs, pipes, karate blows. And I can state that no one is safe from this treatment; some cases are more brutal than others, but practically all prisoners, irrespective of age or sex, are beaten and tortured. Dozens have been taken to the Military Hospital with fractures and lesions. Such a level of sadism has been reached that military doctors supervise the torture. The women are in a separate category. . . . I have personally witnessed the worst aberrations committed with women, in front of other prisoners, by many interrogators. Many . . . are held only for the purpose of discovering the whereabouts of their husband, father or son. . . ."

The letter goes on to describe the places of detention—private houses like the one expropriated at 5515 O'Higgins Drive where neighbors report hearing piercing screams, despite music played at full volume. Also mentioned are torture at army barracks, torture by the police, the navy and the air force, and savage raids carried out under the pretext of depriving Communists of their bases of support.

April, May and June news stories have borne out Koch's assessment and justified the fears of Uruguayans at home and abroad. On April 23 the first in a series of cadavers—ten to date—showed up on the river banks of Uruguay, manacled, mutilated, several even decapitated. At first they were identified as Orientals (a play on the former name for Uruguay, the Oriental Republic of Uruguay), then as Uruguayans, most likely those who were disappearing weekly from their homes or jobs in Argentina, where they had sought haven. In Argentina, President Videla commanded all refugees to register by the first week in May.

The refugee population of thousands was terrified; rumors of deportation to Chile and Uruguay were rife; offices and embassies in Buenos Aires soon sprouted long lines of foreigners seeking asylum or exit papers (lawyer Peter Weiss, recently returned from Argentina, compared the scene to those in Nazi Germany in the 1930s). The U.N. High Commissioner for Refugees (UNHCR) requested assurances of their safety, in vain.

In early June refugee files containing 8,000 names were stolen (the refugee population in Argentina, more heavily Chilean than Uruguayan, is about 18,000) and two days later armed men abducted twenty-five who were on the list. Through the fast and persistent efforts of the U.N., the World Council of Churches, AI and others, the twenty-five were released on President Videla's orders. They were dropped off on different street corners, in poor shape, many of them bearing marks of torture. The loud protests and Videla's speedy response were reactions to world outrage at the kidnap-murders of prominent, conservative Uruguayans in Argentina a fortnight earlier. On May 18, at 3 A.M. and 5 A.M. former Uruguayan legislator Zelmar Michelini and former speaker of the Uruguayan Chamber of Deputies, Hector Gutierrez Ruiz, were abducted from their homes in Buenos Aires by groups of heavily armed men dressed as civilians. Soldiers and police stationed in the area stood by as the apartments were unhurriedly ransacked, doors were broken down, screams were heard, and the men were led blindfolded into waiting cars that had no license plates. As Michelini was about to enter his vehicle, an employee of the Hotel Liberty where he and his sons were living ran out to protest that the abductors had taken a hotel blanket with them. The blanket was returned.

Nothing was heard of Michelini or Gutierrez or of a young Uruguayan couple named Whitelaw, abducted earlier, until their bullet-ridden, tortured bodies were found in a car in downtown Buenos Aires at 9 P.M. on May 21. After a wide search organized by the UNHCR, the Whitelaws' three small children, abducted with them, were found dazed but alive in a suburban hospital. Meanwhile Videla had claimed that it was the work of Uruguayans or of Argentine vigilantes. He told the editor of *La Opinion*, which carried a front-page story of the "kidnapping" (Michelini had worked on the paper), that he would investigate. He did not. Then *La Opinion* printed a letter Michelini had given a friend on May 5, stating that he had received threats that he would be returned forcibly to Uruguay, a matter which the Uruguayan Foreign Minister would take up with Argentine authorities. Then Wilson Ferreira Aldunate, head of the conservative Blanco Party, who received 18 per cent more votes than Bordaberry in the 1971 election (the returns were apparently manipulated to give Bordaberry the Presidency) and whom authorities had failed to locate for abduction on May 18 because he was not in his apartment, announced that the Argentine authorities had received letters accusing Michelini and Gutierrez of being Tupamaros, virtually marking them for death. International pressure and quiet, complicated maneuvering brought the distinguished Ferreira and his family out of Argentina. The United States Congress, led by Rep. Donald Fraser, invited him to Washington to testify on June 17.

At an Amnesty International press conference in New York after his arrival June 16, Ferreira, challenged by two hostile Uruguayan newsmen, noted that the members of the Tupamaro movement, which he had opposed, were all either dead or jailed; that the only people who kidnap and kill today are the government; that only a minority of prisoners have been convicted by the courts, that brutal forms of torture such as the electric prod, tying a prisoner to a horse to drag him across a field, and raping women and children—that these and the entire apparatus of repression made the government successful. Later, he confirmed UPI reports

[1] At the first full hearings on Uruguay, held July 27, Martin Weinstein submitted to Rep. Donald Fraser (D., Minn.) exchanges on Uruguay between Hewson Ryan of the State Department and Rep. Edward Koch (D., N.Y.).

of May 17 that, after the meeting when the generals voted to oust Bordaberry, Minister of Economy Alejandro Vegh Villegas, who favored a "limited election option" for November, sent emissaries to Buenos Aires to consult with Blanco Party leaders in exile about their possible cooperation if that option were chosen. Both Ferreira and Gutierrez were approached. They asked that at least three conditions be met: (1) respect for human rights, including an end to torture; (2) reinstitution of a civilian legal system; and (3) the removal of Bordaberry from office.

The American Embassy had told the Uruguayan Government that Michelini (who leaned toward a social democratic position) had applied for a U.S. visa and that they had no reason not to grant it. That was the day before the abductions; it seems likely that Bordaberry decided to eliminate opposition leaders with support in his country. As for Argentina's reasons for cooperating, one can only speculate that President Videla wants to gain favor with the small neighbor governments (Bolivia's former President Torres was also assassinated in Argentina in mid-June) because it is competing with vast Brazil for domination in the southern cone, the term used for land below the bulge in Latin America.

Since his testimony in Washington, Wilson Ferreira has been indicted by his government as a Tupamaro, and his estate and assets in Uruguay have been confiscated. He and his wife and son are temporarily safe in the United States, but Michelini's daughter and her husband are among thirty Uruguayans in Argentina who have disappeared since mid-July (twenty bodies were reported discovered June 26, but not yet identified) and so are the children of Ferreira's other good friends.

The role of the secret police in military and paramilitary organizations in our hemisphere is of prime concern. The Argentines are acceding to the wishes of the Uruguayans just as the Chileans acceded to those of Brazil, allowing them to enter the country and subject their nationals to torture, deportation and death. The United States has trained hundreds of Brazilians, Chileans, Uruguayans and Argentinians in its counter-insurgency school in Panama, and many more at army bases and police academies in the United States. The training, and the equipment and money we send these repressive governments marks us for responsibility in their concerted violations of human rights.

Latin America has not been Henry Kissinger's chief area of concern, nor have human rights. Still, at the OAS meeting in Santiago in June, the Secretary of State made an historic speech, declaring that violations of these rights would no longer be tolerated by the United States, noting that they had already "impaired U.S. relations with Chile." And after Kissinger left, our new permanent OAS deputy, Robert White, made a statement that should stand as a rebuttal to General Vadora's address in Montevideo: "Much has been said here about communism and we must be alert to guard against it. Hopefully, however, the struggle against communism is not the main feature which configures our heritage. There are others: respect for law, independence of the judiciary, right of dissent and freedom of the press."

Americans can only applaud these statements—and await their implementation. A good start could be made by expanding the present limited "parole" program to allow refugees from Argentina and Uruguay, and more Chileans, to enter the United States. Would it be too much to ask that Washington change its policy of not offering asylum to foreigners in danger or, if that is excessive, at least to instruct our Latin American embassies to act quickly to help find asylum in the embassies of less finicky nations for those whose lives are threatened by the repressive regimes of that continent?

AIR PIRACY QUARANTINE ACT OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, joined by 17 of my colleagues, I have reintroduced two measures designed to combat air piracy and terrorism. The first, the Air Piracy Quarantine Act of 1976, would suspend for at least 1 year U.S. foreign air traffic with any nation that has been found to aid, to abet, or to arm a terrorist organization, and with any nation that maintains air operations with a country that aids, abets, or arms a terrorist organization. The second bill would prohibit any nation under an air traffic suspension from receiving U.S. foreign aid for the duration of the suspension.

The action we are proposing is strong, but it is essential if we effectively are to end hijacking. In recent years, air piracy and other forms of terrorism have threatened regularly the lives and safety of innocent people. We can no longer rely on the daring rescues of hijacked planes as our response to terrorism. Powerful preventative measures are urgently needed and the Air Piracy Quarantine Act of 1976 is such a measure.

Faced with the sanctions of this act, many nations that have tacitly or explicitly supported terrorist groups will terminate, out of necessity, their cooperation with these organizations. In the absence of a friendly base of operations terrorist organizations will be hard pressed to continue their detestable activities.

Listed below are those Members who have joined me in cosponsoring these bills:

COSPONSORS

Herman Badillo, Edward P. Beard of Rhode Island, Norman E. D'Amours, Mendel J. Davis, Don Edwards of California, Daniel J. Flood, Michael Harrington, John H. Heinz, Jack F. Kemp, Edward I. Koch, William Lehman, Clarence D. Long of Maryland, Matthew F. McHugh, Fredrick W. Richmond, Benjamin S. Rosenthal.

THE ADMINISTRATION HAS TAKEN A POSITIVE AND A DECISIVE STEP TOWARD REINSTITUTING RELIANCE UPON THE PRIVATE SECTOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 25 minutes.

Mr. KEMP. Mr. Speaker, the Ford administration took a decisive step this week toward reinstituting reliance upon the private sector for the goods and services required to meet the Government's needs and I applaud it heartily.

In taking this action, the administration reaffirmed a policy which many of us in the Congress had been seeking over the past year.

On October 30 of last year I introduced a resolution setting forth a clarification and reaffirmation of the policy that Government ought to rely upon commercial sources for the goods and services it needs. A revised text of that resolution was introduced on February 19, House Joint Resolution 818. That and similar resolutions have nearly 80 cosponsors in the House, and there is a Senate companion measure as well.

The policy expressed by Congress and embodied in OMB Circular A–76 has always been that the Government ought to rely upon the private sector for its goods and services. But, in contrast, with that policy, the Government has persistently and increasingly done in-house that for which they could have contracted outside, from janitorial services to weapons systems research and development. Three exceptions—which, like most exceptions, started out small but then grew—provided a means of circumventing the general policy.

The frustration of this policy has been at great costs to the country.

A dollar spent in-house by Government simply does not buy the same level of productivity as one spent in the private sector.

Real wages, aggregate national income, production, and gross national product do not grow as quickly when large percentages of expenditures are made within Government.

Dollars spent in Government do not create as many jobs as the same dollars spent in the private sector.

Competition declines.

The adequacy of investment capital declines.

And America's technological lead over other industrial nations has been falling rapidly.

Despite these realities—and they are realities, not merely opinions—not everyone wanted to reaffirm the general policy.

But even among those who wanted a reaffirmation of existing policy—to return to the private sector the responsibility for providing goods and services—there was not uniform agreement as to how to proceed. Should there be a reaffirmation and clarification on the existing policy? Should that come from the Congress or the administration? Or should there be a major, susbtantive overhaul of the Federal laws in this regard? If so, what would need to be changed in existing law and regulations.

While there are still Circular A–76 questions which must be addressed and answered, I think the administration's announcement this week helped answer those questions.

On Monday of this week, August 23, Hugh E. Witt, the Administrator of Federal Procurement Policy within the Office of Management and Budget, announced proposed new rules under which hundreds of millions of dollars worth of services now supplied by the Federal Government to itself could be purchased from private, commercial sources. These

new rules will affect about 10,000 commercial and industrial operations, such as guard services, maintenance of buildings and grounds, cafeteria operations, and film processing.

There are two benefits to be derived from implementing this policy after the 30-day comment period. First, by shifting these operations to the private sector, Government both restores a responsibility to the private economy and reduces its own payroll size. Second, because a specific service will be awarded to the private sector only if the private sector bidder can perform the work at less cost than an in-house performance, it will mean a reduction in Government expenditures and the taxes and deficit financing required to sustain those expenditures.

The Office of Federal Procurement Policy—OFPP—has estimated that the annual operating costs of the 10,000 commercial and industrial operations to be affected by the new rules to be about $7 billion. Of these 10,000 operations, at least 1,000 are justified solely on the basis of cost, and they will be the first to be shifted to the private sector through the new Federal in-house cost determination formula.

Private companies have lost out repeatedly to the Government in recent years, because under the old rules the agencies sharply underestimate the cost of providing retirement benefits to Government workers engaged in the in-house work. In calculating its cost under current rules, an agency must compute its wage bill and add 7 percent for employee retirement costs. This 7-percent addition is so out of date that the U.S. Civil Service Commission has determined that it should here after be 24.7 percent—over three times greater, and this 24.7 percent is a conservative estimate based on a "set of assumptions most favorable to minimum retirement costs." Of course, the true add-on should be 31.7 percent—the 24.7 percent contributed by Government and the 7 percent contributed by the employee.

Under the new rules, within the next 3 years, all 10,000 progams will have to recalculate their costs using the new retirement figures.

What will this shift mean to the taxpayers? According to an OMB officer at the Monday announcement, government surveys show an average savings of 30-percent, when a service is contracted out, rather than provided by the Government. If one couples the unofficial projection of officials of the Department of Commerce that about $2½ billion may be shifted into the private sector through this latest effort with the OMB estimate of a cost reduction of about 30 percent, it is quite possible that the cost saving to the taxpayers will be about $850 million a year. That is significant.

Opposition to the proposed regulations has already surfaced—predictably. The National Federation of Federal Employees—a Federal employee union—has already attacked the measure.

I think it is crucial to understand several things at this point.

First, the new rules certainly cannot be construed as harmful to organized labor, because the private companies which will perform these services are as heavily, if not more, organized by labor than are the Federal departments and agencies.

Second, Federal employees don't have a right to their jobs. They are protected against politics through the career civil service system, but their jobs are no more guaranteed—nor ought they to be—than one in the private sector. That's why we have an orderly process within the civil service system for reductions in force. If we adopt the attitude that everyone now holding a Federal job is entitled by right to keep it, we'll never be able to reduce the size of government and its cost to the taxpayers. Most civil servants are conscientious, capable employees, and I am as sympathetic to them as I am to someone in the private sector, but our democratic society does not believe in government jobs as a matter of right. To give that assurance to government employees would be to create a 20th century aristocracy, this time with employees instead of noblemen. The realities being what they are, most reductions in force can be handled by natural attrition anyway, and that way a national objective—returning to the private sector a responsibility which it ought to have been undertaking all along and reducing the costs of government to the taxpayers—can be accomplished at minimum emotional costs and financial disruption to the employees.

When one reviews—as I have—the myriad of examples of where government has unnecessarily performed a service or provided a good which could have been done by the private sector—one sees the importance of these new rules. When you look at the FLITE program within the Department of the Air Force, the JURIS program within the Department of Justice, the Navy's handling of the RF8G—F8—modification program, Interior's agreement with the Air Force for research into a more efficient way of generating electrical power from coal, NOIC's competition with the private sector on oceanic instrumentation systems, plus almost everything ERDA is doing, one sees the necessity of changing the rules.

I do not want to leave the impression that everyone in the executive departments and agencies is a defender of in-house performance. Quite to the contrary, I have been very pleased with the efforts of some within the Department of Commerce and its Bureau of Domestic and International Commerce, including the former Deputy Assistant Secretary for Domestic Commerce, Sam Sherwin; the Under Secretary of Defense, Bill Clements; the Assistant Secretary of Defense for Procurement, Dale Babione; the Office of Management and Budget, where its director, Jim Lynn, and its Administrator for Federal Procurement Policy, Hugh Witt, have been active in this subject matter; and William Gorog and others in the Executive Office of the President. A great amount of credit for these new rules is owed to these dedicated public servants.

I think credit has to be given to my colleagues, who, through their sponsorship of the joint resolutions and persistent support for the principle involved here, helped to bring about and then buttress the resolve of the administration, OMB, and OFPP, to begin moving again in the right direction on this issue. Those cosponsors are:

Mr. ABDNOR of South Dakota.
Mr. ADDABBO of New York.
Mr. ANDERSON of Illinois.
Mr. ANDREWS of North Dakota.
Mr. ARCHER of Texas.
Mr. ASHBROOK of Ohio.
Mr. BAFALIS of Florida.
Mr. BRINKLEY of Georgia.
Mr. BROWN of Ohio.
Mr. BROWN of Michigan.
Mr. BURGENER of California.
Mr. CEDERBERG of Michigan.
Mr. CLANCY of Ohio.
Mr. CLEVELAND of New Hampshire.
Mr. COLLINS of Texas.
Mr. CONLAN of Arizona.
Mr. CRANE of Illinois.
Mr. DAN DANIEL of Virginia.
Mr. DANIELSON of California.
Mr. DERWINSKI of Illinois.
Mr. DICKINSON of Alabama.
Mr. DUNCAN of Oregon.
Mr. ESCH of Michigan.
Mr. ESHLEMAN of Pennsylvania.
Ms. FENWICK of New Jersey.
Mr. FORSYTHE of New Jersey.
Mr. GILMAN of New York.
Mr. GOLDWATER of California.
Mr. GRADISON of Ohio.
Mr. GRASSLEY of Iowa.
Mr. GUYER of Ohio.
Ms. HECKLER of Massachusetts.
Mrs. HOLT of Maryland.
Mr. HYDE of Illinois.
Mr. ICHORD of Missouri.
Mr. KASTEN of Wisconsin.
Mr. KETCHUM of California.
Mr. KINDNESS of Ohio.
Mr. LAGOMARSINO of California.
Mr. LOTT of Mississippi.
Mr. MANN of South Carolina.
Mr. MARTIN of North Carolina.
Mr. MCDONALD of Georgia.
Mr. MCKINNEY of Connecticut.
Mr. MILFORD of Texas.
Mr. MOORHEAD of California.
Mr. NOWAK of New York.
Mr. O'BRIEN of Illinois.
Mr. PATTERSON of California.
Mr. PATTISON of New York.
Mr. PICKLE of Texas.
Mr. PRITCHARD of Washington.
Mr. REGULA of Ohio.
Mr. ROBINSON of Virginia.
Mr. ROONEY of Pennsylvania.
Mr. ROUSSELOT of California.
Mr. SANTINI of Nevada.
Mr. SARASIN of Connecticut.
Mr. SATTERFIELD of Virginia.
Mr. SEBELIUS of Kansas.
Mr. SHRIVER of Kansas.
Mr. SIMON of Illinois.
Mr. J. WILLIAM STANTON of Ohio.
Mr. STEELMAN of Texas.
Mr. SYMINGTON of Missouri.
Mr. TEAGUE of Texas.
Mr. TREEN of Louisiana.

Mr. VANDER JAGT of Michigan.
Mr. WALSH of New York.
Mr. CHARLES WILSON of Texas.

As I indicated earlier, this matter has yet to be fully resolved. The next step is the 30-day comment period in which all interested parties are to write to the Administrator for Federal Procurement Policy, Office of Management and Budget, 726 Jackson Place, NW., Washington, D.C. 20503, expressing their support for, opposition to, or suggested changes in the proposed rules.

Beyond this, we have the other circular A–76 and Federal procurement questions. Ought there to be other overhead cost inclusions or existing ones updated? What about the reserves for sick pay, paid vacations, et cetera? How about the make-or-buy questions associated with research and development? Is massive Government sponsorship of basic research and developing crippling the creative process in America? How can we assure that the other exceptions to the general policy—such as an agency determining that contracting out may demonstrably disrupt or significantly delay an urgent agency program, or that in-house performance may be necessary for national security, or that the product or service is not and cannot be made available from the private sector and is available from a private source—will not be used in the future to continue circumvention of the general policy?

But, we are indeed going in the right direction.

At this point in today's proceedings, I wish to read into the RECORD the text of the notice and proposed rule, as published in the Federal Register, Vol. 41, No. 164 of Monday, August 23, 1976, at pages 35581–3. These items follows:

FEDERAL PROCUREMENT POLICY: COST COMPARISONS UNDER OMB CIRCULAR A–76

Proposed Transmittal Memorandum to OMB Circular A–76, Providing Cost Factors to be Used in Determining the Cost of Government Commercial and Industrial Activities.

OMB Circular A–76, originally issued in 1966 and revised on August 30, 1967, states the Government's general policy of reliance on the private enterprise system for needed products and services. The Circular provides that exceptions to that policy may be justified when direct Government performance can be shown to be in the National interest. One basis for such exception is a demonstrated cost saving from Government operation of a commercial or industrial activity. When executive agencies make a comparative cost analysis between commercial and Government sources, the cost to be incurred under each alternative must be determined in accordance with prescribed procedures.

The cost of commercial performance can be established primarily from a contract bid or proposal, but Government costs must be developed from less specific cost data. Circular A–76 states that Government costs must include: "all elements of compensation and allowances for both military and civilian personnel, including the full cost to the Government of retirement systems, calculated on a normal cost basis."

Both the employing agency and the employee contribute 7% of salary to the Civil Service Retirement System. The agency 7% contribution is currently used in cost comparisons as the full cost to the Government, although it is widely recognized that the actual cost to the Government is substantially higher. The discrepancy results from the fact that agency and employee contributions are based on a "static" projection of the normal cost for the system; i.e., a projection which assumes that there will be no general increases in Civil Service wage scales and no increases in benefit payments to retirees under the Consumer Price Index (CPI) escalator provisions. When these increases do occur, they create a deficit in funding of the system that is paid by additional Government contributions from general Treasury funds distrtibuted over a thirty-year period. Underfunding prior to 1969 created an unfunded liability which is being stabilized by annual direct transfers of interst payments from the Treasury to the Civil Service Retirement Trust Fund.

In order to achieve greater accuracy and uniformity in agency cost studies, standard factors which reflect the full cost to the Government must be provided for use by all executive agencies. At the request of OMB, the Civil Service Commission developed cost factors for the Civil Service Retirement System and for Government contributions to employee insurance programs.

The retirement system factor was first approached from the standpoint of the cost of financing the system under current conditions, while excluding any cost attributable to past failures of the Government to make payments into the fund when due. The resulting figure, 19.9% of salary, included the agency contribution to the system, thirty-year payments to cover benefit improvements, and a portion of the interest on the unfunded liability. This retirement cost factor was criticized on the basis that it reflected the cost of financing obligations which have already been incurred, and that it did not include the impact of future salary and benefit increases, which must be anticipated. It was also recognized that a factor computed on this basis would increase each year as additional thirty-year payments are initiated. For example, the 19.9% factor, which was based on FY 1975 data, increased to 20.4% when recomputed with FY 1976 data.

An alternative approach was developed to determine a factor that reflects full Government cost for the system through the use of "dynamic" rather than "static" normal costs. Calculation of normal costs on a "dynamic" basis provides a more realistic measure of system costs by anticipating future changes in salaries, interest rates, and retirement benefits. This method has been recommended by the Board of Actuaries of the Civil Service Retirement System and the Comptroller General of the United States. Dynamic normal costs were calculated using the actuarial models of the Civil Service Retirement System.

In developing a cost factor on this basis, it was necessary to make economic assumptions about future average annual wage increases to civil service employee and average annual interest rates for money in the fund. Using empirical analyses of historical data and judgments as to how trends might change in the future, the following economic assumptions were developed:

Average annual real wage increase 1.3 percent.

Average annual real interest rate 1.6 percent.

The annual real interest rate of 1.6 percent was the prevailing rate between 1952 and 1964, our last period of sustained stability in inflation rates. If periods of erratic inflation had been included, the interest rate would have been lower. The average annual real wage increase was based on 1948–1973 real GNP growth per manhour worked, corrected for factors such as intersectoral shifts, and increased quality of workers. Data for 1974 and 1975 were excluded from the computation because of the greatly reduced GNP growth during those recession years.

In addition, a conservative set of assumptions (from the point of view of retirement costs) was established, setting the real wage growth rate at 1.0 percent, and real interest rate at 2.0 percent. A third economic assumption that was required by the actuarial model was the expected rate of inflation. However, because the effect of different inflation rates proved to be essentially irrelevant, a zero inflation rate was used and the analysis was carried out in constant dollar terms.

The Civil Service Commission actuary was asked to calculate normal costs under the following three combinations of assumptions, assuming in addition that the "one percent kicker" on CPI initiated benefit increases will be discontinued.

Case	Annual real wage increase (percent)	Annual real interest rate (percent)
1	1.3	1.6
2	1.0	2.0
3	1.3	2.0

The actuary projected the costs of retirement in each case as a percentage of payroll costs. These were: Case 1, 36.6%; Case 2, 31.7%; and Case 3, 33.0%. Since the individual contributes 7 percent of his salary to the retirement system, costs to the Government become 29.6, 24.7, and 26.0 percent, respectively.

The 24.7% cost to the Government, which results from use of the set of assumptions most favorable to minimum retirement costs, has been selected for use in all cost comparisons under Circular A–76.

To ensure uniformity and consistency in cost studies performed by different agencies within the executive branch, the following Transmittal Memorandum to Circular A–76 has been prepared. All interested parties are invited to submit their views and comments on this memorandum for consideration by the Office of Federal Procurement Policy. Responses should be received by September 20, 1976 and should be addressed to:

Administrator for Federal Procurement Policy, Office of Management and Budget, 726 Jackson Place, NW, Washington, D.C. 20503.

HUGH E. WITT,
Administrator.

Subject: Policies for Acquiring Commercial or Industrial Products and Services for Government Use

1. *Purpose.* This Transmittal Memorandum provides guidance and specific cost factors to be used when agencies prepare a cost analysis under OMB Circular A–76.

2. *Background.* OMB Circular A–76 expresses the Government's general policy of relying upon the private enterprise system to supply its needs for products and services, in preference to engaging in commercial or industrial activity. This policy reflects the fundamental concept that the Government should generally perform only those functions which are governmental in nature and should utilize the competitive incentives of the private enterprise system to provide the products and services which are necessary to support governmental functions. Those commercial or industrial activities which the Government performs directly for itself are not inherently governmental functions, but rather are exceptions to the fundamental concept, and their performance by Government personnel must be justified as being in the National interest.

3. *Supplemental Guidance.* Circular A–76 sets forth specific circumstances under which it may be in the National interest for the Government to provide directly some products and services for its own use. One of these circumstances permits justification of Government commercial or industrial ac-

tivity if a detailed comparative cost analysis demonstrates that Government performance would result in sufficient savings to justify involvement in such activity. However, the Circular does not require that a cost study be made in every case to support a decision in compliance with the policy preference for reliance on commercial sources. A cost analysis is not needed in circumstances where the Government's economic interests would be protected, such as the existence of a competitive commercial market, unless the agency has some unique economic advantage which would permit it to supply the needed product or service at less than commercial cost. In determining whether a cost study should be undertaken, consideration should be given to the delay and expense involved in a study sufficiently detailed and comprehensive to provide valid results.

Cost studies, when conducted, should be made in accordance with the guidelines in Section 6 of Circular A–76, and must cover all identifiable costs of both commercial and Government performance. Instructions for the determination of costs incurred by Government activities in providing products and services are set forth in paragraph 6.C. of the Circular. In computing the cost of civilian personnel services for a Government activity, the actual cost to the Government for employee benefits, such as retirement and insurance programs, must be included. Guidance in calculating these cost elements has been provided by the U.S. Civil Service Commission, which has determined current percentage factors for Government contributions to employee insurance programs and the full cost to the Government of the Civil Service Retirement System.

4. *Cost Factors.* (a) For the convenience of Federal agencies making cost studies, the following percentages of base pay will be used in computing the costs of civilian personnel services: Retirement, 24.7 percent; Health Insurance, 3.5 percent; Life Insurance, .5 percent.

(b) Cost comparisons made under the provisions of Circular A–76 should be sufficiently complete and documented to permit ready audit by qualified financial personnel. Copies will be made available to interested persons, on a cost reimbursable basis, when requested under the provisions of the Freedom of Information Act.

5. *Effective Date.* This Transmittal Memorandum is effective immediately.

6. *Inquiries.* Inquiries or requests for assistance should be directed to the Office of Federal Procurement Policy, telephone 395–3327.

[FR Doc. 76-24760 Filed 8-20-76; 8:45 am]

Mr. Speaker, for anyone who wishes to more fully acquaint themselves with this matter, they may wish to read several CONGRESSIONAL RECORD items on the question, including remarks on October 30, 1975, at pages 3462–3464 on December 19, 1975, at pages 42315–42317 on March 15, 1976, at pages 6424–6427; on May 17, in two instances, at pages 14214–14218 and 14180–14182; on June 18, 1976, at pages 19314–19317; and on July 28, 1976, at pages 24347–24348.

WOMEN'S EQUALITY DAY, 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, today marks the 56th anniversary of the ratification of the 19th amendment—the amendment to the U.S. Constitution which gave women the right to vote. As we in the Congress recognize today as "Women's Equality Day, 1976," and this year as we celebrate our Nation's Bicentennial, we must also remember that full equality for women is still a goal to be realized.

Mr. Speaker, I commend to the attention of my colleagues President Ford's message proclaiming today as "Women's Equality Day, 1976," and insert it at this point in my remarks:

WOMEN'S EQUALITY DAY, 1976

A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

During this Bicentennial Year we celebrate a dynamic history which began with that inspirational declaration that all individuals are "endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.""

To give substance and form to those self-evident truths, "We the People of the United States" created a constitutional republic to "secure the Blessings of Liberty to ourselves and our Posterity."

However, it was not until August 26, 1920, that the Nineteenth Amendment to our Constitution unambiguously secured for each of us, regardless of sex, that precious mark of liberty—the right to vote.

In October 1971 and March 1972, the House of Representatives and the Senate of the United States proposed a new amendment for our consideration—an amendment, completing the process begun by the Nineteenth, which would secure "equality of rights under the law" regardless of sex, for men and women.

Several more States need to ratify that Equal Rights Amendment before it becomes part of our Constitution. It would be most fitting for this to be accomplished as we begin our third century. In this Land of the Free, it is right, and by nature it ought to be, that all men and all women are equal before the law.

Now, therefore, I, Gerald R. Ford, President of the United States of America, to remind all Americans that it is fitting and just to secure legal equality for all women and men, do hereby designate and proclaim August 26, 1976, as Women's Equality Day.

I call upon all the citizens of the United States to mark this day with appropriate activities, and I call upon those States who have not ratified the Equal Rights Amendment to give serious consideration to its ratification and the upholding of our Nation's heritage.

In witness whereof, I have hereunto set my hand this twenty-fifth day of August, in the year of our Lord nineteen hundred and seventy-six, and of the Independence of the United States of America the two hundred and first.

GERALD R. FORD.

THE REPEAL OF HOLDER IN DUE COURSE WAS ESSENTIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the suggestion by the Federal Trade Commission of a rule which would repeal the antiquated holder in due course doctrine caused almost no stir among the various credit industry representatives.

The enactment of the rule, however, brought an onslaught of criticism and wolf-crying almost unequalled in my observation of credit lobbying history.

Not only is the availability of credit supposedly drying up, but reputable businessmen everywhere are supposed to have been driven out of business for lack of available bank financing.

The FTC is standing strong in its position that credit buying has become such a way of life for so many millions of Americans that the consumer protection which the repeal of the holder in due course doctrine provides, is essential.

I have backed the FTC from the beginning. In January I pointed out that the only businesses this rule would hurt are the disreputable ones because they could no longer count on full payment regardless of their performance. Then in July I conducted a survey of more than 100 District of Columbia area businesses to determine just how difficult it is to find needed bank financing. The results were gratifying. I found that the charges that the consumer credit industry would be adversely affected by the ruling were no more than a Pavlovian reaction to a very proconsumer move. Consumers have benefited from the FTC's ruling and the auto dealers, furniture stores, and others have not been hurt.

It is an unfair and unfounded effort that the trade associations are making to deny the consumer protection of the FTC's repeal of the holder in due course doctrine.

I therefore urge my colleagues to read the following testimony which I presented today to the Consumer Protection and Finance Subcommittee in defense of the FTC's ruling:

TESTIMONY OF THE HONORABLE FRANK ANNUNZIO, CHAIRMAN OF THE CONSUMER AFFAIRS SUBCOMMITTEE OF THE COMMITTEE ON BANKING, CURRENCY AND HOUSING BEFORE THE CONSUMER PROTECTION AND FINANCE SUBCOMMITTEE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE REGARDING THE FEDERAL TRADE COMMISSION'S TRADE REGULATION RULE REPEALING THE HOLDER IN DUE COURSE DOCTRINE

Mr. Chairman, Members of the Subcommittee, it is truly a distinct privilege for me to appear before you today and I deeply appreciate the honor of being the lead-off witness at these most important hearings. I am accompanied this morning by Mr. Curtis Prins, the Staff Director of the Consumer Affairs Subcommittee of the Committee on Banking, Currency and Housing.

Mr. Chairman, I am not here this morning to defend every sentence, every word, or every punctuation mark of the Federal Trade Commission's ruling repealing the Holder in Due Course Doctrine. I do feel that there are some clarifying provisions that need to be worked out with regard to the ruling, and the Federal Trade Commission has indicated that it is working towards that end. I am not willing for one moment, however, to suggest that the entire ruling should be scrapped, substantially reworked, repealed, or even delayed in its implementation. To do so would be to endorse a concept that has caused untold financial horrors for far too many consumers.

The Federal Trade Commission's holder in due course ruling was not an overnight hit. The Commission spent some several years in both the hearings and the writing stage, and thousands of comments were devoted to the discussion of the proposed rule. Yet, only in recent months has there been any outcry against the ruling. Perhaps those who are opposed to the repeal are guilty of the far too common malady of only reacting when a crisis exists. I suggest that anyone who is unhappy with the FTC's action is like the criminal who refuses to offer a defense during his trial and then when the jury finds the criminal guilty, argues that he was not

given an opportunity to tell his side of the story.

It is contended by those who opposed the ruling that the FTC should have promulgated it under the provisions of the Moss-Magnuson Act. I wonder however, if those same champions of the Moss-Magnuson provisions would have felt as strongly if the FTC had come out with a regulation that left holder in due course virtually intact.

I am certain before these hearings are concluded that someone will suggest that the Holder in Due Course Doctrine should not be repealed because it has been a principle of commercial law since the 18th century. Of course, the question of whether or not it has been a good principle of commercial law will not be addressed. Instead, the only question that proponents of the status quo will raise is that holder in due course should be maintained solely because it has been here for a long time. If that philosophy had been adopted, this country would still have slavery for, after all, slavery was in existence for a long time. And we would still deny the right to vote to women, a practice which existed in this country for a long time. Children would still work in mines and in sweatshops for pennies a day. That wasn't a good practice, but it existed for a long time.

We cannot endorse a principle merely by employing a calendar test. If the Holder in Due Course Doctrine is right and just, then it should be maintained but if that doctrine is not just as I believe it is not, then it must be struck down regardless of its longevity.

Mr. Chairman, shortly after the holder in due course ruling went into effect in mid May, there was an immediate outcry from trade associations about the consequences of allowing the repeal to remain in effect. Just like Pavlov's dog, many of these trade associations are trained to react in a negative manner when anything that deals with consumer rights is raised.

The banking lobby was quick to attack the FTC ruling, and not far behind were the automobile dealers. On the same day that the president of the American Bankers Association made a speech condemning the holder in due course ruling, I heard an advertisement on a Washington area radio station urging borrowers to secure loans from a particular bank. In part the radio ad said, "obtain your loan from us or ask your dealer to finance your purchase with us."

Mr. Chairman, if the holder in due course repeal is causing as many problems as the bank lobby would like Congress to believe, why is a major banking institution in this area openly soliciting new business that would come directly under the new ruling? And why in the light of the banker protest has the American Bankers Association announced that its member banks have planned to substantially increase the finance of new automobiles for consumers. According to the ABA, not only is an increase planned, but not a single bank surveyed by the association plans to cut back the amount of money available for new car lending.

I know that many of the members of the Subcommittee have received letters from businessmen concerning the Holder in Due Course Doctrine. For the most part, the letters that I have seen on this subject fall into the Chicken-Little-the-sky-is-falling category. Typical of the letters was one that was referred to me from a small banker in the western portion of our country. The banker's cry of "wolf" read in part:

". . . down payments of 50% or higher will be required on big ticket items such as automobiles to guarantee that a buyer has a large enough equity from time of purchase that he will not default on his contract because his cigarette lighter didn't work. With today's ridiculous prices for automobiles and a required down payment of 50%, guess how this will affect the auto industry."

Well, just as Chicken Little found that the sky did not fall, our banker friend is finding that virtually nothing has changed in the automobile financing area. Down payments are no higher, and according to the newspaper ads in almost every major city, it is still possible to obtain no-down-payment financing.

Mr. Chairman, when the claims from various business groups that the repeal of the Holder in Due Course Doctrine would spell the end to the American business community began appearing, I decided to do a survey of my own rather than depend upon the manufactured horror stories being promoted in opposition to the holder in due course repeal. In order to determine the effects of the ruling, the Consumer Affairs Subcommittee staff called more than 100 automobile, furniture and home improvement businesses in Washington, Maryland and Virginia.

Of the more than thirty automobile dealers contacted, not a single one indicated any major problem with the new method of doing business. From the automobile dealers, the most common reply when asked about the new ruling was, "we haven't noticed any difference" or, "it hasn't affected us."

Several dealers claim that they never heard of the FTC action. And one Virginia dealer apparently was trying to use the FTC's action as a basis for steering customers away from Maryland dealers. The Virginia dealer told the staff that people with good credit had nothing to worry about and that the new regulations seem to affect Maryland banks more than those in Virginia.

Here are some typical quotes from Washington car dealers concerning the FTC ruling. A General Motors dealer said, "no problem at all." A used car dealer pointed out, "it is easier and cheaper for you to find your own financing." A luxury car dealership said, "it depends on your credit rating; no problem at all." An import dealer said, "it will be a while before people start changing their policies." A used car operator said, "no problem whatsoever." A Chrysler product dealer remarked, "it hasn't affected us." Another used car dealer responded, "never heard of it." An import dealership said, "it is not difficult for us to finance cars at all." A luxury car dealership said, "no problem at all." Another luxury car dealership said, "no problem" and another GMC dealership said, "I haven't noticed any change at all."

The survey of furniture dealers for the most part paralleled the results obtained from car dealers with the exception that not as many furniture dealers financed purchases. Of ten furniture dealers contacted in Virginia only four of them financed sales through a lending institution and all four indicated that there was no problem with the new ruling.

One salesman admitted, however, that he had never heard of the ruling and asked to have the staff explain it to him. At the end of the explanation the salesman responded, "we've been in business a long time and we back our merchandise. We will have no problem with the ruling."

Similar reports about a lack of problems were received from furniture stores in Maryland and the District of Columbia.

One of the most universal comments received from furniture dealers was that as long as the company sold quality merchandise it would have no problem in obtaining financing for customers.

The responses received from home improvement firms were for the most part, identical to the responses received from auto and furniture dealers. One company representative indicated that he was thoroughly knowledgeable with the new regulation because his bank had a meeting with all of the companies that financed with the bank to explain the rule. He indicated that the bank foresaw no problem for reputable companies.

One Washington contractor was upset with FTC's action and labeled it as ridiculous. However, he did not indicate that the ruling had caused his company any problem at this time.

Following a press release describing the results of my study, I received letters from a number of consumer affairs offices throughout the country reporting on the result of similar studies they conducted in their areas. Every one of these studies indicated that while merchants might not like the repeal of the Holder in Due Course Doctrine they were not experiencing any changes in their business operations.

I note from your witness list, Mr. Chairman, that representatives of the automobile sales industry will be appearing before the Subcommittee. As I noted earlier, this industry has been one of the most vocal in pushing for a return to the traditional holder in due course philosophy.

I have long been a supporter of the automobile sales industry in general and particularly in times when the energy shortage caused great problems for many smaller dealers. Despite this support of the auto sales industry, there is one aspect of the operation that troubles me greatly and it is something that I hope this Subcommittee will deal with in its oversight functions.

There may well be some move towards exempting arms-length financial transactions or the so called "purchase money loans" from the new FTC ruling. But, Mr. Chairman and members of the Subcommittee, there is no reason why this type of transaction—which many automobile dealers engage in with various financial institutions—should be exempt. I am referring here to the practice of financial institutions providing auto dealers, and in many cases other types of businesses, with a share of the income derived from the interest on the finance contract.

Under such an arrangement an auto dealer who finances individual car sales through a particular institution will receive either a set amount for each contract or in even more horrendous cases, the financial institution will set a base charge for interest rates and will tell the dealer that any interest that can be charged the consumer above the base charge belongs to the dealer.

I am convinced that this highly questionable, though long-standing practice is one of the reasons why I see so many automobile financing contracts with interest rates of astronomical proportions. The question here is not whether or not it is legal or ethical for dealers to get "a piece of the action" for directing financing business to a particular institution. The question is whether or not that relationship should be rewarded by exempting those transactions from the new Federal Trade Commission protection. It has been argued that by allowing a dealer to set the interest rate that a buyer will pay, the dealer becomes an agent of the financial institution. At the very least, there is clearly no arms-length transaction. Why then should there be any consideration given to this type of arrangement?

It is my feeling that what the automobile dealers want is to be able to continue their sweetheart arrangements with the financial institutions while gaining an exemption from, or a repeal of, the FTC's ruling. The automobile dealers not only want to have their cake and eat it too, they are asking the consumers to buy the cake for them.

In closing, Mr. Chairman, let me commend you and your Subcommittee for holding these hearings and also for the fact that they are oversight hearings rather than trying to rush through a hastily drafted bill. You are dealing with a highly important issue and thor-

oughness, not speed in my opinion, is what is needed in dealing with this issue.

I therefore urge you and the members of the Subcommittee to give the new ruling a fair treatment here. It has been in operation only slightly more than ninety days and I do not think that is enough time to judge the merits of the ruling. Thank you very much for allowing me to appear here this morning.

MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 10 minutes.

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The August 1976 list includes:

Effectiveness, Benefits, and Costs of Federal Safety Standards for Protection of Passenger Car Occupants. CED–76–121, July 7.

Audit of Financial Statements of Saint Lawrence Seaway Development Corporation Calendar Year 1975. FOD–76–18, July 28.

Better Information Needed in Railroad Abandonments. CED–76–125, July 23.

Student Enrollment and Attendance Reports in the Boston Public Schools Are Substantially Accurate. HRD–76–146, July 16.

The National Assessment of Educational Progress: Its Results Need to Be Made More Useful. HRD–76–113, July 20.

Formulating Plans for Comprehensive Employment Services—A Highly Involved Process. HRD–76–149, July 23.

Administration of a Federally Funded Disaster Relief Program for Agricultural Workers in Southern Florida. B–171934, April 20, 1972.

Cost-of-Living Adjustment Processes for Federal Annuities Need to Be Changed. FPCD–76–80, July 27.

Civil Service Commission Actions and Procedures Do Not Help Ex-Offenders Get Jobs with the Federal Government. FPCD–76–67. July 1.

Magnitude of Nonappropriated Fund Activities in the Executive Branch. FPCD–76–58, July 5.

Economies Available Through Consolidating or Collocating Government Land-Based, High Frequency Communications Facilities. LCD–76–113, July 6.

Work Performed and Underway by GAO on Federal Regulatory Activities January 1, 1974, through April 30, 1976. CED–76–122, July 20.

Audit of Federal Deposit Insurance Corporation for the Year Ended June 30, 1975. FOD–76–13, July 21.

Greater Emphasis on Competition Is Needed in Selecting Architects and Engineers for Federal Projects. LSD–75–313, July 21.

Administration of Federal Assistance Programs—A Case Study Showing Need for Additional Improvements. HRD–76–91, July 28.

More Action Needed to Insure That Financial Institutions Provide Equal Employment Opportunity. MWD–76–95, June 24.

Gifts Given by U.S. Presidents Since 1960. ID–75–44, February 19, 1975.

Methodology Used in Lease-Versus-Purchase Decision for Tracking and Data Relay Satellite System. LSD–76–127, July 15.

Federal Control of New Drug Testing Is Not Adequately Protecting Human Test Subjects and the Public. HRD–76–96, July 15.

Better Enforcement of Safety Requirements Needed by the Consumer Product Safety Commission. HRD–76–148, July 26.

Progress, But Problems in Developing Emergency Medical Services Systems. HRD–76–150, July 13.

North Carolina's Medicaid Insurance Agreement: Contracting Procedures Need Improvement. HRD–76–139, July 1.

Better Controls Needed over Biomedical Research Supported by the National Institutes of Health. HRD–76–58, July 22.

U.S. Marshals Service—Actions Needed to Enhance Effectivenes. GGD–76–77, July 27.

Federal Drug Enforcement: Strong Guidance Needed. GGD–76–32, December 18, 1975.

Assessment of the Air Force's Planning for the Technology Repair Center Concept. LCD–76–429, July 2.

Pentagon Staffs—Is There Potential for Further Consolidations/Cutbacks? FPCD–76–35A, July 6.

Marine Corps Recruiting and Recruit Training Policies and Practices. FPCD–76–72, July 20.

Critical Considerations in the Acquisition of a New Main Battle Tank. PSAD–76–113A, July 22.

Readiness of First Line U.S. Combat Armored Units in Europe. LCD–76–452, July 23.

Continuing Problems with U.S. Military Equipment Prepositioned in Europe. LCD–76–453, July 27.

Improvements Needed in Operating and Maintaining Waste Water Treatment Plants. LCD–76–312, June 18.

Certain Actions That Can Be Taken to Help Improve This Nation's Uranium Picture. EMD–76–1, July 2.

Shortcomings in the Systems Used to Control and Protect Highly Dangerous Nuclear Material. EMD–76–3A, July 22.

Need to Develop a National Non-Fuel-Mineral Policy. RED–76–86, July 2.

Actions Taken by the Federal Power Commission on Prior Recommendations Concerning Regulation of the Natural Gas Industry and Management of Internal Operations. RED–76–108, May 24.

Federal Hydroelectric Plants Can Increase Power Sales. CED–76–120, July 8.

Revenue Sharing Act Audit Requirements Should Be Changed. GGD–76–90, July 30.

Additionally, letter reports are summarized including:

$103 million of impounded funds for home health services projects, required to be released under the Impoundment Control Act, may not be released before the budget authority lapses. OGC–76–28, July 7.

Information on the status of impounded funds appropriated to the Department of Housing and Urban Development to help owners of rental housing projects meet higher operating costs due to increased property taxes and utility costs. OGC–76–29, July 7.

Information on the President's proposed rescission of funds for the Office of Drug Abuse Policy. OGC–76–30, July 15.

GAO comments on impoundment of budget authority proposed in the President's 17th special message to the Congress OGC–76–31, July 20.

Status of Budget authority that was proposed for rescission by the President, but rejected by the Congress. OGC–76–32, July 28.

Information on deferral of funds for Amtrak to acquire the Northeast Corridor should have been reported to Congress under the Impoundment Control Act, but was not. OGC–76–33, July 29.

The Postal Service should use surface mail, not air mail, to send mail-order catalogues to military personnel overseas. LCD–76–231, July 2.

The Navy's method of recording and reporting financial data in successor accounts and related surplus fund accounts—used to record net balances of unpaid obligations and accounts receivable for expired appropriations—needs to be improved. FGMSD–76–45, July 2.

The Defense Supply Agency should study its use of magnetic disk space—an expensive aspect of computer hardware—and make any excess space available to other Government activities. LCD–76–121, July 7.

Need to recover full cost of military training and technical assistance services provided to Iran. FGMSD–76–64, July 13.

Veterans Administration justification for establishing four regional computer centers for its planned Target System, a communications-based system to modernize VA's benefit claims processing. HRD–76–145, July 13.

Does the Military Airlift Command need to keep personnel on duty in its distinguished visitors' lounges 24 hours a day, 7 days a week? LCD–76–236, July 14.

Procurement operations at the Homestead Air Force Base commissary. PSAD–76–157, July 15.

The Air Force should install standard radios on the F–15 aircraft, instead of expensive UHF and tactical air navigation radios which will not meet future communications requirements. PSAD–76–159, July 20.

How does the Community Services Administration evaluate how well the Community Action Agencies provide services to the poor? HRD–76–151, July 20.

The General Services Administration should encourage Federal agencies to use life cycle costing, a procurement technique for evaluating the total cost of a product over its useful life. PSAD–76–160, July 23.

Controls over admittance to and distribution of expendable items need to be strengthened at the Pentagon's self-service supply centers, PSAD–76–164, July 26.

Does the Defense Department's Base Labor Agreement with the Republic of the Philippines discriminate against U.S. citizens in employment? FPCD–76–79, July 28.

Effects of new Environmental Protection Agency regulations for procuring architect-engineer services on the municipal waste treatment construction grant program. RED–76–112, June 1.

Cost effectiveness of the Air Force's proposal to centralize its equipment allowance program at Warner Robins Air Logistics Center. LCD–76–434, June 1.

Safety program at construction sites for Washington, D.C.'s METRO subway. PSAD–76–147, June 25.

General Dynamics and Pratt & Whitney received contract payments for the Air Force F–16 project greater than those normally allowed. PSAD–76–152, June 25.

Savings possible by changing regulations for printing identical bills introduced in the House of Representatives. RED–76–104, May 12.

Accounting and other financial practices of the Panama Canal organization. FOD–76–15, May 17.

How the Navy selected the US–3A aircraft for the carrier onboard delivery (COD) mission. PSAD–76–144, May 20.

Defense plans to combine functions of the Defense Contract Administration Services' Camden, New Jersey, district office with the Philadelphia district office. LCD–75–339, April 17.

Conditions at the Indian Health Service Hospital at Shiprock, New Mexico. MWD–76–108, March 15.

Exaggerated mail volume and overstaffed operations at the Washington, D.C. City Post Office. GGD–76–41, January 20.

Standards for selecting engineering firms for federally assisted capital projects. LCD–75–320, January 10, 1975.

Safety, and operations and maintenance and cost data for the military services' CH–46 and CH–47 helicopters. LCD–75–411, January 22, 1975.

Investigation of contract award by the Corps of Engineers to the Ranger Construction Company of Atlanta, Georgia, in spite of the firm's termination for default on a Bureau of Prisons contract. PSAD–76–59, January 30, 1975.

Information on Postal Service's sale of printed return address envelopes. GGD–75–62, February 13, 1975.

Handling of Federal funds by the Ohio Bureau of Vocational Rehabilitation. MWD–75–70, March 3, 1975.

Answers to questions on a GAO report on controls needed over equipment provided to the Republic of Vietnam armed forces. LCD–75–227, April 1, 1975.

Information on the cancellation of a planned family housing project at Fort Eustis, Virginia. LCD–75–338, April 3, 1975.

Cost of the Secretary of State's children accompanying him on official trips overseas. ID–75–55, April 9, 1975.

Cost data on gifts given to foreign officials by U.S. Presidents since 1970. B–181244, April 15, 1975.

Investigation of allegations that an Army officer stationed at Aberdeen Proving Ground, Maryland, used military flights for personal convenience. LCD–75–225, April 15, 1975.

Evaluation of the Navy's reported $2,269 billion deficit in its shipbuilding and conversion accounts. PSAD–75–81, April 24, 1975.

Do VA hospitals have adequate medical staffs? MWD–75–83, May 5, 1975.

Effects of oil price increases on small business contracts. PSAD–76–72, May 22, 1975.

Constituent's proposal that military personnel replace civilian field buyers in procuring fresh fruits and vegetables for the Department of Defense. FPCD–75–157, June 23, 1975.

Information on unsolicited mailing of material by the Treasury to members of the American Economic Association. GGD–75–106, July 18, 1975.

Relocation of the Food and Drug Administration district office from Newark to East Orange, New Jersey. LCD–76–301, August 5, 1975.

Army's cost estimate for planned FY 1975 purchase of M60A1 tanks from the Chrysler Corporation. PSAD–76–9, August 11, 1975.

Review of Selective Service System contract to Kenneth J. Coffey. FPCD–76–17. September 30, 1975.

Air Force's indicator repair contracts with Pantronics, Inc. PSAD–76–31, October 7, 1975.

Use of appropriated funds to finance lobbying activities by the Citizens Advisory Council on the Status of Women on behalf of the Equal Rights Amendment. MWD–76–43, October 14, 1975.

Information on the Administration of the Federal Insured Student Loan program in Colorado. B–164031(1), October 15, 1974.

Information on cost reductions expected to result from relocating the Benet Weapons Laboratory, Watervliet Arsenal, New York. LCD–76–418, November 19, 1975.

Alleged deficiencies in Army maintenance practices in Europe and the Air Force shelter program. LCD–76–417, December 22, 1975.

Delivery times for airmail and first-class mail. B–114874, December 17, 1974.

The monthly list of GAO reports and/or copies of the full texts are available from the U.S. General Accounting Office, room 4522, 441 G Street NW., Washington, D.C. 20548. Phone (202) 275–6241.

Summaries of significant legal decisions and advisory opinions of the Comptroller General issued in July 1976 are also available as follows:

Federal Procurement Law Decides Grant Complaint. B–185790, July 9.

Prorating Fees for Jury Duty in Federal and State Courts. B–70371, July 13.

GAO Decides Protest on Subcontract Award. B–185178, July 15.

Travel Entitlement Under Change of Home Port. B–167022, July 12.

Exchange of Similar Items Under the Federal Property Act. B–163084, B–186675, July 15.

Local Regulations May Not Curb Sick Leave Usage by "First 40 Hours" Employees. B–171947.78, July 9.

Quarters Allowance for Female Military Members after Marriage. B–185813, July 13.

Extra Travel Costs When Aeroclub Plane Has Mechanical Problems. B–185098, July 6.

Reenlistment Bonus—Credit for Period of Excess Leave. B–183824, July 6.

Waiver of Excess Payments Under Survivor Benefit Plan. B–182704, July 2.

If you need further information regarding these or other decisions, please call (202) 275–5308 or write to the General Counsel, U.S. General Accounting Office, Washington, D.C. 20548.

TERROR IN ARGENTINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, I am deeply concerned about what at present is happening in Argentina. It is a haunting specter of rampant anticlericalism and anti-Semitism, of right-wing thugs murdering Catholic priests and terrorizing those whose policies are simply democratic, while the Argentine Government tacitly approves these actions. Argentina is embroiled in a near civil war, and many innocent persons are being caught in a crossfire of leftist guerrilla warfare and government-sponsored counterterrorism.

Eleven Roman Catholic priests have been arrested in Argentina in the last few months, apparently because their nonviolent work for social justice is considered "subversive" by the government. Tragically, at least three other priests have been murdered by right-wing gunmen. It was particularly outrageous to Americans when an American Roman Catholic priest, Rev. James Martin Weeks of the La Salette Novitiate was arrested, beaten, and held for 10 days along with five seminarians in Argentina. Thanks to the efforts of the State Department and my good friend and colleague, JOE EARLY, Father Weeks was released and flown to the United States, but many have been left behind who are in danger of death.

Nazi publications are flourishing in Argentina. There is widespread distribution of "Mein Kampf" and the fraudulent anti-Semitic tract, Protocols of the Elders of Zion. Rightist magazines are characterizing Hitler as the "Savior of the West." Such material has been distributed in the schools. The Argentine Government piously says that it is not condoning this practice, but it has taken no steps to prevent its distribution. All of this is happening at a time when all democratically oriented literature—always denounced as leftist—has been banned. There is no freedom of expression in Argentina, and by its silence in the face of Neo-Nazi propaganda, the Government of Argentina has legitimized that virulent philosophy.

Perhaps most threatened are the thousands of South American refugees who have fled political persecution in Chile, Brazil, Uruguay, and elsewhere. The Argentine Government has already determined that these refugees are not compatible with the nation's security. The U.N. High Commissioner on Refugees has appealed to member nations to take 1,000 refugees from Argentina, terming the situation as "grave." Some have already been killed, and many more have been terriorized. The level of violence has not yet reached its crescendo and continues to escalate. The world was shocked by the discovery of 47 more people slaughtered by right-wing groups and Argentine security forces only last weekend.

What has the United States done in reaction to this situation. I perceive a genuine revulsion on the part of the State Department with regard to developments in Argentina. I am appending a letter I received today from the State Department which I feel is quite strongly worded. I also believe it imperative that the United States reevaluate its military aid program to Argentina. A government which abandons the rule of law and uses terrorism to maintain itself does not deserve our support, economic or military. While at present we are not providing economic assistance to Argentina, we are furnishing over $49 million in military assistance.

Aside from that consideration, the United States can do something constructive and compassionate, and we can do it right now. We should take our fair share of those political refugees endangered in Argentina.

The State Department has requested that the Attorney General establish a parole visa program to allow South American refugees now in Argentina into the United States. That request was sent to the Attorney General in late July and there it has sat for a month, and still sits. I need not belabor my colleagues as to the desperate nature of the situation. All of us in Congress who support this program should speak out now. I suggest that they write to Attorney General Levi, urging him to establish this program immediately.

I have written to Attorney General Levi on this issue today. Along with the State Department letter, I am appending my letter to Attorney General Levi:

DEPARTMENT OF STATE,
Washington, D.C., August 24, 1976.

Hon. EDWARD I. KOCH,
House of Representatives.

DEAR MR. KOCH: The Secretary has asked me to reply to your letter of July 21 regarding the safty of political refugees in Argentina.

Political violence in Argentina, which has been going on several years, has escalated in the past few months since the establishment of the new Argentine Government. This violence has been carried out by terrorist forces of both the left and the right. There have been repeated charges that the Argentine Government, if not encouraging or participating in counter-violence, is not actively suppressing right wing groups with the same energy that it pursues the left. The Argentine Government, however, states that it deplores the activities of all vigilante groups and is trying to bring violence perpetrated by the right and left under control.

We have discussed our concern over this

escalating pattern of violence and some of its tragic consequences with high-level Argentine officials both in Washington and Buenos Aires, and we have informed the Argentine Government of the nature and level of concern which is being expressed in the United States Congress and by private citizens. In this context, we have also discussed specifically with Argentine officials the case of the thirty Uruguayan refugees who recently disappeared.

Regarding the status of refugees in Argentina, the Argentine Government has stated that it will not forcibly repatriate refugees for political or ideological reasons. As you are aware, Argentina currently has a large colony of expatriate refugees chiefly from Uruguay and Chile, some of whom have been targets of assassination by terrorist groups. Both the UN High Commissioner for Refugees and the Government of Argentina have appealed to us and to other governments for assistance in relocating refugees in other countries. We are deeply concerned over this problem and are aware of the resolutions on this subject which have been submitted to the Congress by you and Senator Kennedy. The Executive Branch currently has this question under urgent consideration.

We will send copies of this correspondence to our Embassy in Buenos Aires so that they may express your concern to the Argentine authorities.

Sincerely yours,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 26, 1976.

Hon. EDWARD LEVI,
Attorney General, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: Along with Senator Edward Kennedy and Congressman Donald Fraser, I am the prime sponsor of H. Con. Res. 656, introduced on June 15, 1976, which calls for the establishment of a parole visa program for South American refugees endangered in Argentina. I understand that in late July the State Department requested that your Department establish such a program.

I am certain that I do not have to detail the litany of horrors being perpetrated in Argentina today. The fact sheet I am enclosing gives background information on the need for the program. Since July 1, events have only confirmed the need for the program. 30 Uruguayans were kidnapped, roughed up, and later released; Roman Catholic priests have been arrested and some have been murdered; Nazi propaganda flourishes; people are killed (47 last week) by Argentine security forces in reprisal for left-wing terrorism.

I urge you in the strongest possible manner to expedite this program. I would appreciate being apprised of developments with regard to this program and want you to know that I am willing to help in whatever way possible. I believe that we all would like to avoid the tortuous delays that accompanied the Chilean parole visa program. With as volatile a situation as there is in Argentina, we simply cannot afford those kinds of delays.

Sincerely,

EDWARD I. KOCH.

PROVIDING FOR THE INCLUSION OF LICENSED PRACTICAL NURSES UNDER THE MEDICARE AND MEDICAID PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 5 minutes.

Mr. MATSUNAGA. Mr. Speaker, I am introducing today legislation which provides for the inclusion of licensed practical nursing services under the medicare and medicaid programs. Similar in intent and function to my proposal introduced in this Congress and in the previous Congress to provide for the inclusion of registered nursing services under the medicare and medicaid programs, this new proposal will recognize for the first time on the Federal level the important contributions which licensed practical nurses have made throughout the years in our Nation's health and medical care delivery systems.

Some 447,000 strong in 1974, according to the latest Division of Nursing, U.S. Public Health Service estimates, licensed practical nurses can be found in a wide variety of work settings. While the majority of licensed practical nurses work in hospitals, clinics, homes for the aged, and nursing homes, they can also be found working in doctor's offices, schools, public health agencies, and in private homes.

The medical duties of a licensed practical nurse are as varied as their settings. An LPN can provide direct patient care at the bedside in relatively stable nursing situations such as found in hospitals, extended care units, nursing homes, and in private homes in administering treatment and medication prescribed by a physician or dentist. LPN's can also perform nursing functions in semicomplex situations such as found in hospital nursing service units, recovery rooms, and labor rooms, and in more complex situations found in intensive care and coronary care units and in emergency rooms.

In the area of health care delivery, LPN's assist other members of the health care delivery team in the promotion of personal and community health by promoting and carrying out preventive measures in community health facilities such as well baby clinics and outpatient clinics.

Mr. Speaker, licensed practical nurses have made and will continue to make valuable contributions to our health and medical care delivery systems. By virtue of their training, LPN's are able to provide much-needed basic nursing services in a wide variety of patient settings at a significantly lower average cost than a charge for similar services provided by a registered nurse.

It is, therefore, apparent, Mr. Speaker, that in a multitiered, cost controlled health and medical care delivery proposal such as comprehensive national health insurance, licensed practical nurses will play an important role in the delivery of basic health and medical care to our Nation's citizenry. I am introducing this proposal today to assist in the recognition of that fact by providing a mechanism in the medicare and medicaid programs which will demonstrate the importance of licensed practical nursing services along with physician services, registered nursing services, and all the other health and medical care professional services which together comprise the health and medical care systems of the United States.

Mr. Speaker, I urge my colleagues to give thoughtful consideration and support to this proposal in connection with comprehensive medicare reform and comprehensive national health insurance legislation. The text of my proposal is hereby submitted for inclusion in the RECORD for the reference of any interested parties or individuals:

H.R. —

A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861(s) of the Social Security Act is amended by inserting immediately before the matter following paragraph (13) the following: "The term 'medical and other health services' also means medical care, or any other type of remedial care recognized under State law, furnished by licensed practical nurses within the scope of their practice as defined by State law.".

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16);

(2) by inserting "and" at the end of paragraph (17);

(3) by adding immediately below paragraph (17) the following new paragraph:

"(18) medical care, or any other type of remedial care recognized under State law furnished by licensed practical nurses within the scope of their practice as defined by State law;".

(b)(1) Section 1902(a)(13)(B) of such Act is amended by inserting after "through (5)" the following: "and (18)".

(2) Section 1902(a)(13)(C)(i) of such Act is amended by inserting immediately after "through (5)" the following: "and (18)".

(3) Section 1902(a)(13)(C)(ii)(I) of such Act is amended by inserting immediately after "through (16)" the following: "and (18)".

(4) Section 1902(a)(14)(A)(i) of such Act is amended by striking out "and (7)" and inserting in lieu thereof ", (7), and (18)".

SEC. 3. The amendments made by this Act shall be effective with respect to payments under titles XVIII and XIX of the Social Security Act for calendar quarters commencing with the first calendar quarter beginning after the date of enactment of this Act.

A FAIR DEAL FOR THE SMALL SAVER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota, Mr. FRASER is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, our colleague Henry Reuss has written an excellent article on the increasing problems small savers have in getting a fair return on their savings. In our concern over monetary policy, we must keep in mind that the Federal Reserve policies affect not only borrowers, but also savers who provide the funds for credit.

Chairman REUSS gives several examples of this discrimination against small savers: Lower interest rates being paid on passbook accounts, Treasury bills being sold only in high denominations, service charges imposed on small sav-

ings accounts, and proposed restrictions on pooled funds for purchasing large certificates of deposits bearing high interest rates. Practices such as these can discourage savings and make borrowing even more difficult.

If we are to correct these problems, Congress will have to look carefully at a whole range of alternatives to make the money markets more flexible. We cannot afford to continue shutting the small saver out of more lucrative opportunities.

I would like to share with my colleagues Chairman REUSS' article "A Fair Deal for the Small Saver" from the September issue of Money magazine:

A FAIR DEAL FOR THE SMALL SAVER

(By Henry S. Reuss)

The virtue of thrift has been extolled as part of the American ethic ever since Benjamin Franklin moralized that "a penny saved is two pence clear." Given half a chance, most Americans will save with Calvinist zeal.

Unfortunately, between the government and our financial institutions, we do just about everything we can to discourage a couple of hundred million Americans—all but the rich—from saving money.

When interest rates start rising, the rich can plunk their money into high-yielding Treasury bills that sell only in minimum denominations of $10,000, or into $100,000 "jumbo" certificates of deposit (CDs) that pay market rates. But the small saver can earn only the maximum 5% at a commercial bank or 5¼% at a savings and loan association. For a time in 1974, for example, a $10,000, 91-day Treasury bill yielded 9.9%—almost double what a small saver could get with a passbook account.

LOST $30 BILLION

The government sets this ceiling (called Regulation Q) on small savings accounts for the laudable purpose of "helping housing." In 1966, an interest-rate war developed among S&Ls and other savings institutions, which were competing with each other and with money-market instruments that were beginning to pay more than the S&Ls; Congress became concerned with the soundness of the thrift institutions—and with their ability to continue making the housing loans in which they specialize. So a ceiling was imposed on the interest rates these institutions could pay, although they could still pay a little more than commercial banks.

Since 1966, savers have lost an estimated $30 billion as a result of Regulation Q—the difference between what they earn on their savings accounts and what they could have earned at competitive market interest rates.

Inflationary periods are especially tough on small savers. While their savings are earning low interest in passbook accounts, the cost of living climbs. The modest saver ends up with savings that actually shrink in terms of purchasing power. During 1974, for instance, inflation was whirling away at 12%, while passbook accounts were paying 5¼%. Thus the small saver was actually losing almost 7% a year.

Right now the difference between passbook accounts and the market is not nearly as large as a couple years ago, when Treasury bills and notes were paying 9% to 10% interest. Six-month Treasury bills, for instance, are paying less than 6%, one-year Treasury bills 6¼%, two-year notes just under 7%. But the next time the Federal Reserve clamps down on the money supply, the small saver will be right back in the same fix.

These restrictions on the small saver naturally spur efforts to get around them. Mutual funds, for instance, have been created that attract small investments and pool the money to buy the $100,000 CDs and other money-market instruments formerly the province of the rich. Seeing this loophole for the small saver, the Federal Reserve recently set out to make it tougher for the funds to serve him. The Fed proposed stopping the banks from selling their jumbo CDs to the funds. Even if adopted, this proposal would not destroy the mutual funds, because they could still invest in other money-market instruments outside the Fed's reach. But it is indicative of a "small saver be damned" attitude.

COMING OUT EVEN

What can the small saver do to escape the second-class citizenship to which all these regulations confine him? There are some ways out, but they all have drawbacks.

Credit unions pay higher interest on savings than do banks or S&Ls. Federally chartered credit unions are currently paying an average 5½% but are allowed to pay 7%, and do so when money gets tight. To belong to a credit union, however, the saver must belong to some group like a church, labor union or neighborhood organization that meets the "common bond" requirement for forming such an institution.

Banks and S&Ls offer smaller denomination CDs than the market-rate jumbos. But their interest rates are still limited by Regulation Q, based on the maturity of the certificates. Currently, banks can pay 5½% on maturities with a 90-day minimum, 6% on one-year maturities and 6½% on 2½-year maturities. S&Ls also offer these CDs and can pay a quarter of a percentage point more on them.

The highest yielding investment of this type offered by federally insured institutions is a six-year $1,000 CD that pays 7¾% at S&Ls. Stretched out over a period of assumed economic ups and downs, this instrument gives the small saver a fair chance of coming out even with inflation. But the small saver is trapped in another way with these certificates: there is a severe penalty for withdrawing funds before maturity. If the holder cashes in before maturity, he may end up with less than he would have earned in a savings account. Holders of jumbo CDs, by contrast, suffer no such penalty, because they can sell these certificates in secondary markets any time.

LINES AROUND THE BLOCK

Congress and the Treasury Department must come to the rescue of the small saver.

Treasury bills and notes should be offered in lower denominations. Before 1970, and again for a while in 1974, the Treasury did offer $1,000 short-term notes, and people lined up around the block to buy them. But under pressure from the thrift institutions, the Treasury today refuses to make available bills in less than $10,000 units.

As for U.S. Savings Bonds, their present 6% return is competitive in today's market. But in periods of higher interest rates, savings bond holders are always left behind. One solution would be to set a "floating" rate on the interest paid, allowing it to rise and fall with the market. An interest ceiling could be established to keep the bonds from becoming a sudden burden to the government, and a floor to insure holders a fair minimum return. Or savings bonds could be pegged to purchasing power; the investor's return would be fixed at a set percentage, plus an allowance for any rise in the consumer price index.

But the basic question remains: Is is fair to ask the small saver to subsidize other people's home mortgages by forcing him to keep his savings in low-yielding accounts? In practice, this can mean that an $8,000-a-year family is "taxed"—by an artificially low rate of return—so that an $80,000-a-year family may enjoy a lower interest payment on its home mortgage.

Besides Regulation Q doesn't even work very well. The big savers still pull out when interest rates rise, draining money out of the mortgage market.

Interest-rate ceilings ought to be abolished. The banks and the thrift institutions ought to compete for the saver's dollar.

If Regulation Q is to be abolished, something must be done for the S&Ls and other thrift institutions to enable them to continue focusing on housing loans. My ill-fated Financial Reform bill of 1976, a major preoccupation of the House Banking Committee for most of this Congress, was designed to meet the problem in two ways.

First, the federal government would stand ready, during periods of tight money, to lend mortgage funds to the thrift institutions at the prevailing government borrowing rate. The funds would be repaid to the Treasury when money markets return to normal and funds flow back into savings.

Second, federally chartered S&Ls and other thrift institutions would be allowed to do other kinds of business than simply taking in savings and making mortgages. If they were allowed to offer checking accounts, as some state-chartered savings banks now do, they would have more money in the till from which to make mortgage loans. And if they were allowed to use part of their funds to make more diversified consumer loans, that would help them stay profitable during periods of tight money without driving mortgage rates up. With checking account funds to add to saving accounts, they could do more consumer lending and still have as much as they have now to put out in mortgages.

This liberalization of what the thrifts may legally do would also generate a healthy note of competition in financial services. Banks, S&Ls, mutual savings banks and credit unions would all compete for the little guy's business.

UNSTUCK

Unfortunately, the reform bill died in committee this year, after some intensive lobbying by the American Bankers Association. But the problem will not go away, and the new Congress will have to readdress itself to reform.

When it does, it will undoubtedly reconsider another device to permit the thrift institutions to survive ups and downs of interest rates and still stay in the housing market. That device is the variable rate mortgage (VRM), on which interest rates rise and fall in tune with interest rates on other things. That way, the institutions could offer mortgages freely, at market rates, during low interest periods without fear of getting "stuck" with a 7% mortgage when interest rates rise to 9%. (See "Mortgages with Changing Monthly Payments," *Money*, September 1975.)

Congress last year rebuffed a proposal to allow federally chartered institutions to offer variable rate mortgages. Meanwhile, California and some of the New England states are experimenting with the VRM. In adopting this idea nationally, there must be assured safeguards for the consumer—such as requiring lenders to offer fixed-rate mortgages as well.

Of course, government policy is not the only source of grief for the small saver. Many banks give him short shrift as well. Just recently, the second biggest bank in Washington, D.C., the American Security & Trust Co., announced it was placing a $1-a-month service charge on savings accounts of $500 or less. Other financial institutions threaten to follow suit. One Washington youngster who has just opened a new savings account with $50 earned this summer mowing lawns now faces a $1-a-month service charge—24% per annum on an account that earns only 4½% interest! How's that for encouraging young people to get into the saving habit early?

MORE THAN JUSTICE

I view skeptically the claim of some banks that they lose money on small accounts, and so are justified in discouraging them. Other businesses, like department stores, don't charge a customer more for an item because he does a small amount of business. Furthermore, $500 is not that small an account. It should be good business to attract young people as customers before they become big customers. Financial institutions are given a charter—and legal protection from too much competition—to meet the needs of the public. That would include even the youngster with his $50 account.

Altogether, small savers are not treated very well in our present financial system. We hear from all sides that more savings are needed to finance the nation's investment needs. As John Calvin said, "We ought not to prevent people from being diligent and frugal; we must exhort all . . . to save all they can."

Letting the small saver earn market interest rates is not only social justice. It would be economic good sense.

CONGRESSIONAL CLEARINGHOUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, I want to share with my colleagues a brief description of the congressional clearinghouse on the future, an informal information network formed in April of this year. Ten other Members and myself decided to establish the clearinghouse at that time to share materials with each other about futures research and citizen participation projects.

Our Advisory Committee consists of the Honorable BERKLEY BEDELL, the Honorable JAMES BLANCHARD, the Honorable LINDY BOGGS, the Honorable JOHN BRECKINRIDGE, the Honorable MILLICENT FENWICK, the Honorable TIM HALL, the Honorable JACK HIGHTOWER, the Honorable JOHN JENRETTE, the Honorable HENRY REUSS, the Honorable CHARLIE ROSE, and the Honorable GLADYS SPELLMAN. Anne W. Cheatham is our coordinator.

The idea for the clearinghouse grew out of a series of sessions led by noted futurists and interested individuals who encouraged us and our staffs to look more carefully at ways we can anticipate our problems.

In early September, 1975, Alvin Toffler, author of "Future Shock," and the Ad Hoc Committee on Anticipatory Democracy organized a seminar called "Outsmarting Crisis: Futures Thinking in Congress" sponsored by Representative CHARLIE ROSE, Representative JOHN HEINZ, and Senator JOHN CULVER. Hazel Henderson of the Center for Alternative Futures in Princeton, N.J., and Ted Gordon of the Futures Group in Glastonbury, Conn., joined Mr. Toffler in urging us to look at alternatives to current problems by involving citizens in the planning process.

As a result of the interest generated during that event, Senator CULVER and Representative ROSE invited Mr. Toffler and Mr. Gordon to speak to Senators and Members of the House in early 1976. Shortly after that meeting, we came together to form the clearinghouse.

Our goals have been developed and they are:

First. To assist Members as they become aware of the ways in which the future is affected by today's decisions.

Second. To help committee members implement the foresight provision by holding foresight hearings as well as oversight hearings by identifying witnesses, suggesting questions, helping to organize meetings.

Third. Help Members foresee the impact of legislation on State and local governments so that legislation will have foresight.

Fourth. Let Members know what citizens' groups are eager to work in the planning process of government and give Members new methods of citizen involvement to use with their constituents.

Our first efforts were to publish a monthly newsletter called "What's Next" and circulate it to offices which expressed interest in these ideas. We now have over 250 offices on our mailing list. In April and May, we sponsored seminars led by Robert Theobald of the Northwest Regional Foundation and Dr. Edward Lindaman and John Osman of the Alternatives for Washington in Washington State. In both instances, we sought to identify ways in which Members could involve citizens in the decisionmaking processes of government.

Future plans for clearinghouse activities include bimonthly seminars, presentations to delegation meetings about State and local citizen activity, and addresses by distinguished guests on issues related to the future of the country and the world. An index of futures-related information found in the RECORD will be added to our monthly newsletter as well.

Mr. Speaker, we believe that the information we are sharing is of much importance to the Congress and to our democratic form of government. In this time of rapid change, we must anticipate if we are to survive. As C. P. Snow said in 1961, "The sense of the future is behind all good politics. Unless we have it, we can give nothing either wise or decent to the world."

THE PLIGHT OF THE KOGAN FAMILY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Ms. COLLINS) is recognized for 5 minutes.

Ms. COLLINS of Illinois. Mr. Speaker, all of the nations which signed the Helsinki accords, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

Because the Soviet Union is not living up to this obligation, Members of Congress are conducting a vigil on behalf of Russian families that remain separated.

A case history of these families, who are referred to as "Orphans of the Exodus," dramatically details this tragic problem. At this time I would like to bring to the attention of my colleagues the situation of the Kogan family.

Faina Lvovna Kogan wrote to me on behalf of her husband and herself who wish to emigrate from the Soviet Union to Israel to join their son. Mrs. Kogan, who in writing stressed the importance of International Women's Year and the safeguarding of human rights, details a sad story of Soviet abuse.

Both Mrs. Kogan and her husband are elderly and are not in good health. As a result of their attempts to leave the Soviet Union and reunite their family, they have encountered both government insensitivity and antagonism.

For example, for a long time these elderly people have been denied telephone service without reason. They have been frustrated in all attempts to induce any official government action to correct this. It is my understanding that the disruption of phone service is not an uncommon suffering for those in the Soviet Union who seek exit visas to Israel.

The Helsinki accord not only advances the reunification of families, but the agreement pays special attention to the reunion of the old and the ill. In view of the accord, the Soviet Union is obligated to respond positively to requests by its citizens to emigrate.

The character of the Soviet Union is sadly revealed in this account of the Kogan case. I know my colleagues join me in promising to keep a serious and persistent vigil on human rights. Without such diligence the rights of people are frequently abridged by insensitive forces and in final analysis it may be said that the United States has not done all that it could to insure humane actions in world politics.

DISTRICT OF COLUMBIA REGULATIONS ILLEGALLY PASSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman for Michigan (Mr. DINGELL) is recognized for 30 minutes.

Mr. DINGELL. Mr. Speaker, I am pleased by the prompt and positive action which the Senate took yesterday on H.R. 12261 to reinforce the language of the District of Columbia Self-Government and Governmental Organization Act. Both Houses now have passed the bill with an amendment making it absolutely clear that the District of Columbia City Council was without authority to enact the new gun control regulations it recently passed.

Under section 602(a)(9) of the act, the Council is prohibited from passing any legislation "with respect to any provision of any law codified in title 22" of the District of Columbia Code. Title 22 relates to criminal offenses.

If signed into law by the President, H.R. 12261 would extend that prohibition, due to expire in January 1977, for 2 more years.

The new language simply emphasizes that the injunction against Council action "with repect to" title 22 was intended to encompass any act "with respect to any criminal offense pertaining to articles subject to regulation under chapter 32 of title 22." Chapter 32 covers weapons, including firearms.

H.R. 12261 would not, of course, affect the current District of Columbia regula-

tions enacted by the old city council in 1969. But it would automatically strike down the new council's Gun Control Act which was passed on July 23 of this year, by foreclosing any claim of authority which the council might assert through some contorted interpretation of section 602(a)(9).

It also should be noted that the language of the District of Columbia Home Rule Act itself precludes the council from passing any such legislation for the 24—now to be extended to 48—"full calendar months immediately following the day on which the members of the council first elected pursuant to this act take office," which is to say, beginning on January 2, 1975.

Since this definite, ascertainable time period already was specified in the statute, it is manifest that the prohibition extended by the Congress this week operates retroactively to January 2, 1975.

Furthermore, it is highly doubtful that the council had any statutory jurisdiction to pass its July 23 regulations in the first place.

Although the council characterized its action as an amendment to the police regulations, authority for which is found in title I of the District of Columbia Code, in truth the regulations are de facto amendments to title 22.

When the council enacts a law making it a crime to possess any handgun except those now registered in the District, and making it a crime to be in possession of a loaded firearm even in one's own home, it is ridiculous for the council to suggest that these are not amendments to the criminal code.

I therefore requested the American Law Division of the Congressional Research Service to examine the council's action to see whether it was a valid exercise of authority under title 1, or was in violation of section 602(a)(9) of the District of Columbia Home Rule Act. I now have received the results of that research, and I would like to share it with my colleagues.

In an exhaustive discussion, the Library of Congress attorney, Mr. Charles Doyle, states:

Congress could not have therefore intended to prohibit amendments to Titles 22, 23 and 24 covering things like firearms control, rape, assault, etc. but permitting the identical provisions to be validly enacted under the authority of (Title 1).

He concludes:

An examination of the arguments suggests that the Firearms Control Regulations Act exceeds the legislative authority delegated to the City Council. Congress in enacting section 602(a)(9) intended to freeze those areas of criminal law and procedure contained in titles 22, 23 and 24. The fact that gun control legislation for the District of Columbia was then contained in title 22 makes it inconceivable that Congress did not intend to preserve the status quo in the area of weapons control.

I include this material in the RECORD at this point:

FIREARMS CONTROL REGULATIONS ACT OF 1975: VALID EXERCISE OF THE AUTHORITY GRANTED BY SECTIONS 1-224, 1-226, 1-227 (REGULATION OF FIREARMS, EXPLOSIVES AND WEAPONS) OF THE D.C. CODE OR VIOLATION OF SECTION 602(a)(9) OF THE DISTRICT OF COLUMBIA SELF-GOVERNMENT AND GOVERNMENT REORGANIZATION ACT. 87 STAT. 894-95(1973)

INTRODUCTION

The Firearms Control Regulations Act of 1975. D.C. Act No. 1-142, approved July 23, 1976 raises questions as to whether the Act is the valid exercise of authority granted by D.C. Code Sec. 1-227, 1-226, 1-224 or a violation of the limitation imposed on the legislative authority of the D.C. City Council by section 602(a)(9) of the District of Columbia Self-Government and Government Reorganization Act, 87 Stat. 894-95(1973), D.C. Code Sec. 1-147(a)(9)(Supp. II). The conclusion of this report is that the Act is not valid.

Section 602(a)(9) provides:

The Council shall have no authority . . . to—

* * * * *

(9) enact any act, resolution, or rule with respect to any provision of title 23 (relating to criminal procedure), or with respect to any provision of any law codified in title 22 or 24 (relating to crimes and treatment of prisoners) during the twenty-four full calendar months immediately following the day on which the members of the Council first elected pursuant to this Act take office.

Sections 1-227, 1-226 and 1-224 of the D.C. Code state:

Section 1-227 Regulations relative to firearms, explosives, and weapons.

The District of Columbia Council is hereby authorized and empowered to make, and the Commissioner of the District of Columbia is hereby authorized and empowered to enforce, all such usual and reasonable police regulations, in addition to those already made under sections 1-224, 1-225, and 1-226 as the Council may deem necessary for the regulation of firearms, projectiles, explosives, or weapons of any kind in the District of Columbia.

Section 1-226 Regulations for protection of life, health, and property.

The District of Columbia Council is hereby authorized and empowered to make, and the Commissioner of the District of Columbia is hereby authorized and empowered to enforce, all such reasonable and usual police regulations in addition to those already made under sections 1-224, 1-225, as the Council may deem necessary for the protection of lives, limbs, health, comfort and quiet of all persons and the protection of all property within the District of Columbia.

Section 1-224 Police regulations authorized in certain cases.

The District of Columbia Council is hereby authorized and empowered to make and modify, and the Commissioner of the District of Columbia is hereby authorized and empowered to enforce, usual and reasonable police regulations in and for said District as follows:

First. For causing full inspection to be made, at any reasonable times, of the places where the business of pawnbroking, junk-dealing, or second-hand clothing business may be carried on.

Second. To regulate the storage of highly inflammable substances in the thickly populated portions of the District.

Third. To locate the places where licensed vendors on streets and public places shall stand, and change them as often as the public interests require, and to make all necessary regulations governing business.

* * * * *

Ninth. To regulate or prohibit loud noises with horns, gongs, or other instruments, or loud cries, upon the streets or public places, and to prohibit the use of any fireworks or explosives within such portions of the District as it may think necessary to public safety.

* * * * *

Eleventh. To prescribe reasonable penalties for the violation of any of the regulations in this section mentioned; and said penalties may be enforced in any court of the District of Columbia having jurisdiction over minor offenses, and in the same manner that such minor offenses are now by law prosecuted and punished.

BACKGROUND

Congress enacted legislation governing the carrying and selling of firearms in the District in 1892. 27 Stat. 116. Several years later it passed legislation governing the "killing of wild birds and wild animals in the District of Columbia," 34 Stat. 808(1906) which included language similar to that currently contained in D.C. Code Sec. 1-227.

When the basic provisions of title 22, chapter 32 of the D.C. Code replaced the 1892 legislation, the District's regulatory authority under the 1906 Act was left unchanged, 47 Stat. 650(1932), as amended, D.C. Code secs. 22-3201 to 22-3217.

In 1968, the District promulgated police regulations covering the possession, registration and sale of firearms and destructive devices, D.C. Police Regs. arts. 50-55. The Maryland and District of Columbia Rifle and Pistol Association challenged the validity of the '68 regulations on the grounds that in enacting D.C. Code secs. 22-3201 to 22-3217 Congress had preempted the field and withdrawn the delegation of legislative authority granted by D.C. Code sec. 1-227. They contended, alternatively, that the regulations exceeded the authority granted by the 1906 legislation which they argued should be read narrowly to permit only regulations associated with hunting of wild birds and animals.

The United States Court of Appeals rejected both of these arguments, *Maryland and District of Columbia Rifle and Pistol Association, Inc.* v. *Washington*, 442 F. 2d. 123(D.C. Cir. 1971). It noted that broad language contained in section 1-227 does not suggest the narrow interpretation offered and that by subsequently repealing all of the 1906 statute except the firearm regulation provision Congress intended section 1-227 to be interpreted as broadly as its language. The Court also observed with respect to the preemption issue:

The important consideration, we think, is not whether the legislature and municipality have both entered the same field, but whether in doing so they have clashed. Statutory and local regulation may coexist in identical areas although the latter, not inconsistently with the former, exacts additional requirements, or imposes additional penalties. The test of concurrent authority, this court indicated many years ago, is the absence of conflict with the legislative will. . . .

We find, too, from the fact that section 1-224 was not repealed, either in 1932 when the gun control law was passed or in 1958 when the 1906 wildlife legislation was repealed, a satisfying assurance that Congress, having dealt with some aspects of weapons control, left others for regulation by the District. Indeed, as we have pointed out, we cannot fathom any other purpose to be achieved by leaving section 1-227 in force. We are aware of a brief observation in the legislative history of the 1932 act that it would effect a "comprehensive program of [gun] control," but we cannot accept that

as an expression of intent to preempt the entire field. Examination discloses that the 1932 act is not comprehensive with respect to rifles and shotguns, and the regulations under review demonstrate a clear design to leave the areas preempted by the statute unaffected. Id. at 130–32.

When Congress delegated broad general legislative authority to the City Council in the District of Columbia Self-Government and Government Reorganization Act, it restricted its grant by providing that:

The Council shall have no authority . . . to—

* * * * *

(9) enact any act, resolution, or rule with respect to any provision of title 23 (relating to criminal procedure), or with respect to any provision of any law codified in title 22 or 24 (relating to crimes and treatment of prisoners) during the twenty-four full calendar months immediately following the day on which the members of the Council first elected pursuant to this Act take office. 87 Stat. 894–95 (1973), D.C. Code Sec. 1–147(a)(9).

This subsection was added to the bill by House sponsors during debate, 119 Cong. Rec. 33353 (1973). Under its provisions, one of the sponsors noted, "the City Council is prohibited from making any changes in the criminal law applicable to the District. The conference committee, "agreed to transfer authority to the Council to make changes in Titles 22, 23 and 24 of the District of Columbia Code, effective January 2, 1977. . . . It is the intention of the Conferees that their respective legislative committees will seek to revise the District of Columbia Criminal Code prior to the effective date of the transfer of authority referred to." H.R. Rep. No. 93–702, 93d Cong., 1st Sess. 75(1973). We have been unable to locate any further express indication of legislative intent as to the meaning of section 602(a)(9). Other than the language or section 404(a) there is no express indication as to whether the limitation applies to D.C. Code Sec. 1–227:

Subject to the limitations specified in title VI of this Act [which includes sec. 602(a)(9)], the legislative power granted to the District by this Act is vested in and shall be exercised by the Council in accordance with this Act. In addition, except as otherwise provided in this Act all functions granted to or imposed upon, or vested in or transferred to the District of Columbia Council, as established by Reorganization Plan Number 3 of 1967, shall be carried out by the Council in accordance with the provisions of the Act. 87 Stat. 787(1973).

ARGUMENTS THAT THE ACT IS BEYOND THE AUTHORITY OF THE COUNCIL

Congress reserved to itself legislative jurisdiction over criminal law and procedure in the District of Columbia until January 2, 1977 by enactment of section 602(a)(9). This fact is established by the legislative history cited above and the statements contained in this year's House committee report on the bill to extend that date, H.R. Rep. No. 94–1418, 94th Cong., 2d Sess. (1976). Any act which prohibits under criminal penalty the control, transfer, offer for sale, sale, gift or delivery of destructive devices such as explosives, poison gas bombs, tear gas, and lasers; the manufacture of firearms within the District of Columbia; and the possession of pistols acquired after the effective date of the Act involves the exercise of criminal legislative jurisdiction.

By enacting section 602(a)(9) Congress imposed a moratorium over the Council's legislative authority over matters covered by titles 22, 23 and 24 so that the Congress could revise the District's criminal law and procedure including especially those matters currently contained within the three titles. The District of Columbia weapons control statutes are currently all found within title 22 including provisions for licensing weapons dealers, licensing those who carry pistols and prohibiting possession of certain firearms and weapons. This is the law which Congress intended to freeze by enacting section 602(a)(9). Enactment of the Firearms Control Act alters the law with respect to those areas which Congress intended to examine in revising the D.C. criminal law and is therefore within the limitation of that section and beyond the legislative authority of the D.C. City Council until January 2, 1977.

The Firearms Control Regulations Act is an act with respect to title 22 because it is an act containing "general and permanent laws relating to the District of Columbia" which will have to be placed in the D.C. Code, 1 U.S.C. Sec. 203, and the most, in fact only, logical repository for those provisions is chapter 32 of title 22.

The Firearms Control Regulations Act is an act with respect to title 22 because it deals with many of the same subject matters contained in chapter 32 of title 22: circumstances under which a pistol may be lawfully possessed, compare D.C. Code sec. 22–3202 with D.C. Act No. 1–142, sec. 201, 202(d), 202(e), 706; licensing of those who deal in weapons, compare D.C. Code secs. 22–3209, 22–3210 with D.C. Act No. 1–142 secs. 401–409; regulation of the transfer of firearms compare D.C. Code secs. 22–3208 with D.C. Act No. 1–142 secs. 501, 502.

The Firearms Control Regulations Act is an act with respect to title 22 because it replaces and repeals D.C. Police Regulations Acts, 50–51 which deals with the same subject matter as chapter 32 of title 22, *Maryland and District of Columbia Rifle and Pistol Association, Inc.* v. *Washington*, 442 F. 2d 123(D.C. Cir. 1971).

The Firearms Control Regulations Act is an act with respect to title 22 because the City Council intended it to supplement chapter 32 of title 22 as is evidenced by a comparison of the findings and purpose of the Act with the title of the 1932 Act which became chapter 32 of title 22: compare, "An Act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia . . ." 47 Stat. 650(1932) with D.C. Act No. 1–142, sec. 2.

The Firearms Control Regulations Act is an act with respect to title 22 because even if the Council could have passed regulations containing the same provisions as an exercise of municipal legislative authority under D.C. Code secs. 1–224, 1–226, 1–227 it chose to enact a statute under legislative authority first delegated in the District of Columbia Self Government and Government Reorganization Act, 87 Stat. 774 (1973), D.C. Code sec. 1–124 (Supp. II).

The Firearms Control Regulations Act is an act with respect to title 22 because no argument to the contrary is tenable. As noted earlier, even if the Act could have been promulgated as police regulations under the authority of D.C. Code secs. 1–224, 1–226 and/or 1–227, the Council did not elect that approach. However, it seems more reasonable to conclude that section 602(a)(9) limits the authority granted by D.C. Code secs. 1–224, 1–226, 1–227. The legislative history indicates that section was intended to freeze D.C. criminal law until Congress could work a general revision. Congress could not have therefore intended to prohibit amendments to titles 22, 23 and 24 covering things like firearms control, rape, assault etc. but permitting the identical provisions to be validly enacted under the authority of D.C. Code secs. 1–224, 1–226, 1–227. Moreover, in spite of the fact that the language used in the Act, "An Act to protect the citizens of the District from loss of property, death, and injury . . . in order to promote the health, safety and welfare of the people of the District of Columbia . . ." suggests that the authority of D.C. Code sec. 1–226, ". . . police regulations . . . for the protection of lives, limbs, health, comfort and quiet of all persons and the protection of all property within the District of Columbia" was used, the Council's selection of penalties in excess of those permitted for regulations enacted under D.C. Code secs. 1–226, 1–224 negates any argument that the Act was passed pursuant to authority vested by those sections. (D.C. Code Sec. 1–224a provides that the maximum penalties established for violation of D.C. Code secs. 1–224, 1–226 may exceed imprisonment for 10 days; second and subsequent offenders of D.C. Act No. 1–142 are punishable by imprisonment for not more than 90 days, D.C. Act No. 1–142, sec. 706). The Act cannot be classified as primarily regulatory with only those criminal provisions which would be necessary to enforce any regulatory scheme because in its regulatory aspects the Act by and large simply reproduces the Police Regulations found in Articles 50–55 onto which new criminal prohibitions have been grafted, *e.g.*, prohibitions against various and sundry destructive devices, against possession of pistols by D.C. residents acquired after the effective date of the Act, and against manufacturing firearms within the District. Finally, the validity of the Act cannot be supported by reference to *Maryland and District of Columbia Rifle and Pistol Association, Inc.* v. *Washington*, 442 F. 2d. 123(D.C. Cir. 1971). That case arose prior to the Home Rule Act and dealt with the issue of whether in the absence of an express limitation Congress had preempted the District's municipal legislative authority. The Firearms Control Regulations Act's validity turns on the applicability of section 602(a)(9), an express reservation of the legislative authority the District would otherwise have been delegated.

ARGUMENTS THAT THE ACT IS WITHIN THE COUNCIL'S AUTHORITY

The limitation of section 602(a)(9) is a restriction on the legislative authority, most comparable to that exercised by a state legislature, which the Home Rule Act vested in the City Council. It does not restrict the Council's authority to enact municipal ordinances. If it did, Congress could have and would have made that clear either in the Act or its legislative history.

The Firearms Control Regulation Act is regulatory in nature, not criminal. Most regulatory schemes provide minor criminal penalties for violation. Two of the principal differences between regulatory and criminal provisions are the extent of noncriminal matter included and the severity of the penalties imposed. The basic thrust of the Firearms Act is administrative, regulatory. Maximum penalties of 10 days and $300 are the kind of sanctions that support the administrative dealings of a municipality with its businessmen and citizens; they are not the kind of penalties one establishes as a crime control measure.

Section 602(a)(9) restricts amendments to titles 22, 23 and 24. The Firearms Act does not amend any of those sections.

Finally, if Congress fails to disallow the Act, it would serve as a further indication that section 602(a)(9) was not intended to restrict D.C. Code Sec. 1–227 or even gun control regulation under its general legislative powers.

CONCLUSION

An examination of the arguments suggests that the Firearms Control Regulations Act

exceeds the legislative authority delegated to the City Council. Congress in enacting section 602(a)(9) intended to freeze those areas of criminal law and procedure contained in titles 22, 23 and 24. The fact that gun control legislation for the District of Columbia was then contained in title 22 makes it inconceivable that Congress did not intend to preserve the status quo in the area of weapons control.

Of course, Congress could enact the provisions of the Firearms Control Regulations Act, or in the absence of federal legislation the City Council could enact them after January 2, 1977.

CHARLES DOYLE,
Legislative Attorney,
American Law Division.

THE LOCKHEED LOAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, in the light of the past year's disclosures regarding the Lockheed Aircraft Corp.'s longstanding practice of paying substantial bribes to influential persons both in and out of numerous governments, I have introduced a bill to provide for the termination of any loan guarantee made pursuant to the Emergency Loan Guarantee Act, better known as the Lockheed loan guarantee.

To date, our Government has provided little more than the silence in which the echoes of toppling foreign governments and parties, most notably the Liberal Democrats of Japan, the Christian Democrats of Italy, and the royal family of the Netherlands, could resound.

While the impetus for investigations which have led to developments such as the imprisonment of former Prime Minister Tanaka, among numerous others, came from the revelations of our own Senate Subcommittee on Multinational Corporations, we have taken little substantive action against the corporation which paid the bribes; nor has there been any inquiry made as to whether the banks which made available to Lockheed the depositor's moneys necessary for these payments adequately exercised their fiduciary responsibilities.

Thus, in addition to introducing legislation, I have requested that hearings be undertaken by Chairman REUSS' Committee on Banking, Currency and Housing, the Federal Reserve Board, and the Comptroller of the Currency to consider these matters.

I have also written to Secretary Simon informing him of my request to Chairman REUSS for a review of the performance of the Emergency Loan Guarantee Board, of which the Secretary is Chairman, with regard to its oversight of Lockheed's financial transactions and business activities, as well as with regard to its willingness to continue guaranteeing $160 million worth of loans to Lockheed in light of what has become a matter of public record; namely, the corporation's payment of $22 million in bribes to foreign government and business officials.

Below are copies of the three letters which together provide only an outline of Lockheed's legerdemain. The detail and scope, both in terms of the incidents themselves and the participants involved, have yet to be established. I urge that efforts be undertaken to adduce the facts regarding that which remains unexplained, and that action be taken against those who may be held accountable for overt illegal activity or negligence in the performance of their responsibilities.

H.R. —

A bill to provide for the termination of any loan guarantee made under the Emergency Loan Guarantee Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Emergency Loan Guarantee Board shall provide for the termination, no later than 90 days after the date of enactment of this Act and on such terms and conditions as will preserve and protect the interests of the United States, of any loan guarantee made under the Emergency Loan Guarantee Act.

AUGUST 25, 1976.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking and Housing, RHOB, Washington, D.C.

DEAR CHAIRMAN REUSS: In 1971, the Congress passed the Emergency Loan Guarantee Act which was designed primarily to avert the impending bankruptcy of the government's largest defense contractor, Lockheed Aircraft Corporation.

Pursuant to the Act, the federal government guaranteed $250 million worth of loans to Lockheed, $160 million worth or which remains outstanding. The legislation also stipulated that an oversight mechanism, the Emergency Loan Guarantee Board, be created.

The Board was mandated, in part, to determine management's responsibility for Lockheed Aircraft Corporation's imminent bankruptcy, and was authorized to require that the corporation make such management changes as the Emergency Loan Guarantee Board deemed necessary to give Lockheed a sound managerial base before guaranteeing any loan.

In the course of House and Senate hearings on the merits of guaranteeing loans to Lockheed, it became apparent that the corporation had displayed managerial incompetence in the conduct of at least five major programs: th C-5A military aircraft project, the SRAM subcontract, the Cheyenne helicopter, the Tristar L-1011 commercial jet program, and the case of the Lockheed Shipbuilding and Construction Company's $62 million claims settlement.

It was against this background that the Emergency Loan Guarantee Board came into existence and commenced what were intended to be its oversight responsibilities. In order to carry out its mandate, the Board was granted access to all accounts, records, memoranda, correspondence and other documents of the Lockheed Aircraft Corporation. In effect, the Board had access to those same documents which the Senate Subcommittee on Multinational Corporations later relied upon in its own investigations—investigations which revealed the payment of $22 million in bribes during the course of five years.

Lockheed's activities in Japan, involving the payment of $12 million in bribes, $2 million of which went to Japanese government officials, are only the most widely publicized incidents of a more general practice employed by this corporation. Lockheed officials, under oath before the Senate Subcommittee on Multinational Corporations, stated that since the late 1950's, Lockheed has engaged in activities similar to those carried out in Japan, both without NATO allies and others.

Between 1961 and 1962, $1.2 million was paid to Prince Bernhard of the Netherlands in order to establish a favorable climate in Europe for Lockheed's products. A decade later, the Prince received $100,000 in connection with Lockheed's efforts to sell the F-104 Starfighter in Germany.

In Italy, in 1970, a former Italian air force chief of staff, along with two other prominent Italian politicians, received $1.6 million in connection with the sale of 14 C-130 Hercules cargo planes.

In Indonesia, in 1971, a $100,000 commission was paid for persuading the Indonesian military to award the contract for an American military sales program item to Lockheed.

In further attempts to market the F-104, Lockheed channeled $8,000 to German political parties during the early '70s.

In Turkey, during this same period, a Lockheed affiliate allegedly paid Turkey's air force commander $80,000 in order to ensure the sale of 40 F-104s. An additional $800,000 was expended to buy influence in high places.

During the period spanning 1970 through 1975, Lockheed used $400,000 and the talents of Adman Khashoggi to pay off a high Saudi Arabian government official. Mr. Khashoggi is currently being investigated by government prosecutors with regard to an account he kept in Mr. Charles G. Rebozo's bank in Key Biscayne. Two cash withdrawals from the account, a $100,000 withdrawal in May 1972 and a withdrawal for the same amount in November 1972, could never be fully traced.

It can be argued that the Emergency Loan Guarantee Board stands in relation to the American taxpayer in much the same way that Lockheed's board of directors is responsible to its shareholders, i.e., the respective boards knew or should have known of the aforementioned improprieties. What we have seen instead has been the continuing guarantee of loans extended to a corporation currently undergoing investigation by three agencies, the SEC, IRS and Justice Department, and by eight foreign governments—Mexico, Japan, Italy, the Netherlands, Belgium, Greece, Columbia, and Nigeria. In my view, the performance of the Emergency Loan Guarantee Board should be reviewed and the tacit endorsement which the loan guarantee constitutes should be ended. Toward this end, I have introduced a bill to provide for the termination of any loan guarantee made under the Emergency Loan Guarantee Act.

A meeting of the Emergency Loan Guarantee Board has been tentatively scheduled for September 8, 1976, to review the loan renegotiation agreed upon by Lockheed and a consortium of 24 banks in June of this year. The new agreement entails, in part, the extension of $560 million in loans to the corporation, $160 million worth of which are covered by government guarantee. Before we once again find ourselves confronted with a situation in which the Executive has created a state of affairs regarding which there has been neither Congressional consent nor comment, I would urge that the Committee call before it the members of the Emergency Loan Guarantee Board so that we may be apprised of the assessments made both by the Board and by the lending banks rgarding the possible ramifications of the investigations cited above.

With regard to another aspect of the Lockheed case, I have written to Chairman Burns of the Federal Reserve Board and Mr. James E. Smith, Comptroller of the Currency, requesting agency determinations as to whether the loan renegotiation agreement entered into by the bank consortium and Lockheed constituted an unsafe and unsound banking practice, given the fact that

the corporation is currently under investigation for possible criminal activity.

I have asked the Chairman and the Comptroller to undertake hearings to determine whether cease and desist orders should be issued against the banks, as their decision to make loans of this size to a corporation in this situation may constitute a practice which "is likely to cause insolvency or substantial dissipation of assets or earnings of the bank, or is likely to otherwise seriously prejudice the interest of its depositors . . ." 12 USC 1818(c)(1).

It seems to me that these banks have burdened their depositors with an added risk by extending loans to a corporation whose ability to secure contracts needed to repay these loans may have been substantially diminished due to having its reputation tainted in this fashion.

These are only some of the questions that arise regarding Lockheed's dealings in our own private and public sectors, as well as in those of foreign countries. Enclosed is a memorandum which details numerous Lockheed-related incidents which, in my opinion, should be probed in the course of hearings. Your cooperation in this effort would be appreciated.

Yours sincerely,

MICHAEL J. HARRINGTON.

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 26, 1976.

To: The Honorable Henry Reuss
From: Michael J. Harrington
Re: Lockheed's Activities at Home and Abroad

In addition to the issue of Lockheed's questionable practices in the business sector as cited in the body of my letter, there are a number of other questions that go to the government's seemingly historic special handling of incidents and activities involving Lockheed, a corporation which does approximately 90 percent of its business with the government.

It has been alleged that in the late 1950's, the Washington headquarters of the CIA was fully informed of bribery payments Lockheed was making to Japanese officials in connection with the sale of the F-104 Starfighter. If this was, in fact, the case, why didn't the CIA report such activity to the Justice Department, the SEC or IRS? If it did, why was no action taken by these agencies, given the fact that throughout the period during which bribes were being paid Lockheed may have deducted these expenses in the guise of commissions and agents fees for federal income tax purposes; deductibility is precluded where such payments are illegal under foreign law, as was the case in several instances.

Lockheed's secret agent in Japan was Yoshio Kodama, an influential right-wing militarist. It is alleged that the CIA has maintained a relationship with Mr. Kodama which dated back to 1948, the year Kodama was released from a Japanese prison after serving a three-year term as a war criminal. There is additional speculation that the relationship between the CIA and Kodama may have stemmed from their collaborative efforts in the creation of Japan's Liberal Democratic Party. Between 1970 and 1975, Mr. Kodama received $7 million in cash and bearer checks. A review of the money flows to Kodama reveals a substantial increase in the amount he received in 1972, the year that the Japanese Lower House elections, as well as our own Presidential election, were held. Kodama received $180,000 in 1969, $100,000 in 1970, $400,000 in 1971, and $2,240,000 in 1972.

The U.S. government's handling of the foreign bribery payments investigation is itself suggestive of the special consideration given Lockheed, as the following examples indicate.

In December of last year, Secretary Kissinger invoked foreign policy considerations, no doubt shared by Lockheed's chief attorney, former Secretary of State and Former Attorney General William Rogers, in his "suggestion of interest" to the Federal District Court in the SEC-Lockheed dispute over release of information. Secretary Kissinger recommended that documents relating to bribery payments remain in the custody of the court, to be made available to the SEC on a loan basis. One rationale behind the proposal was that of precluding an eventual disclosure under the Freedom of Information Act.

In March of this year, another government agreement related to Lockheed was announced, namely, the adoption of "Procedures of Assistance in Administration of Justice in Connection with the Lockheed Aircraft Corporation Matter." The agreement, which has been entered into by eight countries—Mexico, Japan, Italy, the Netherlands, Belgium, Greece, Colombia, and Nigeria—restricts the use of information for the exclusive purposes of investigations conducted by agencies with law enforcement responsibilities. Under the agreement, information shall not be disclosed to other government agencies having no law enforcement authority. Thus, investigatory committees of legislative bodies are denied access to information in the possession of the executive.

In addition to making payments to foreign government officials, Lockheed has allegedly claimed bribes and political contributions as legitimate business expenses against U.S. government-subsidized projects. The Defense Contract Audit Agency discovered that during fiscal year 1972, Lockheed had improperly charged the government $36.6 million for contributions, advertisements, sales promotions and entertainment. An additional $2 million was claimed for questionable overhead costs. In DCAA's estimate, the corporation had taken in $83 million in improper profits. Had it not been for the dissent of one member of the Pentagon's Renegotiation Board, Lockheed's illegitimate claims would have been granted summary approval.

Another episode involving Lockheed occurred at the time of the U.S. embargo of arms sales to Turkey. As you may recall, Congress imposed a limited embargo on December 17, 1974 which suspended all military assistance and sales. However, the President exercised his authority to lift the suspension until February 5, 1975. On February 5, eighteen F-104's were transferred from Italy to Turkey, with State Department approval.

This past May, in the midst of these controversies, Secretary Rumsfeld proposed converting a commercial transaction, involving a $250 million sale of P-3 Orion patrol planes to Japan, into a government-to-government sale. The Secretary reportedly indicated to Japanese officials that the United States was prepared to guarantee the financial ability of Lockheed to deliver the planes. In the case of the 1971 loan guarantee, a similar pledge was made to the British government.

As stated in my letter, I think that these matters should be reviewed in light of the Emergency Loan Guarantee Board's apparently unfulfilled oversight responsibility and would appreciate your assistance in this regard.

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 26, 1976.

Mr. WILLIAM SIMON,
Chairman, Emergency Loan Guarantee Board, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: On August 26, 1976, I introduced legislation to provide for the termination of any loan guarantee made pursuant to the 1971 Emergency Loan Guarantee Act.

As you know, the Act authorized the federal government to guarantee $250 million in loans to Lockheed Aircraft Corporation, $160 million worth of which remain outstanding. In light of the past year's disclosures regarding the corporation's long-standing practice of paying substantial bribes to influential persons both in and out of numerous foreign governments, it seems to me that this tacit endorsement by loan guarantee should be ended.

In addition to introducing legislation, I have requested that Chairman Reuss' Committee on Banking, Currency and Housing, review the performance of the Emergency Loan Guarantee Board, especially with regard to the Board's execution of that part of its mandate which calls for an assessment of the soundness of the corporation's managerial base and a management reorganization if such is deemed necessary, before making any guarantee.

Given the significant instances of managerial incompetence which become apparent during the course of House and Senate hearings held in the summer of 1971 on the merits of guaranteeing loans to Lockheed, one would think that this aspect of the Board's responsibilities would have received more careful consideration. However, it was not until after the disclosures that emerged from the Senate Foreign Relations Subcommittee on Multinational Corporations, revealing that high-level personnel authorized bribes, that a fundamental change in the composition of Lockheed's management was effected.

Other revelations issuing from the Subcommittee's investigations give further evidence of what would seem to be negligence on the part of the Board in the performance of its oversight responsibilities. For example, in 1972, the year of the Japanese Lower House elections and our own presidential election, $2,240,000 was paid to Lockheed's secret agent in Japan, Yoshio Kodama. This payment was a substantial increase over what Mr. Kodama had previously received: Kodama was paid $180,000 in 1969, $100,000 in 1970, $400,000 in 1971, and then $2,240,000 in 1972. The Emergency Loan Guarantee Board, however seemingly failed to take note of or inquire further into this inordinate commission fee. If it did, no action appears to have been taken to curb such practices, nor did the Board make public its concern regarding such payments.

With regard to another aspect of the Lockheed case, I have written to Chairman Burns of the Federal Reserve Board and Mr. James E. Smith, Comptroller of the Currency, requesting agency determinations as to whether the loan renegotiation agreement entered into by a consortium of 24 banks and Lockheed Aircraft Corporation in June of this year constituted an unsafe and unsound banking practice, given the fact that Lockheed is currently under investigation by the SEC, IRS, and Justice Department for possible criminal activity.

I have asked the Chairman and the Comptroller to undertake hearings to determine whether cease and desist orders should be issued against the banks involved in the consortium, as their decision to make loans of this size to a corporation in this situation may constitute a practice which "is likely to cause insolvency or substantial dissipation of assets or earnings of the bank, or is likely to otherwise seriously prejudice the interests of its depositors. . . ." 12 U.S.C. 1818(c)(1).

It seems to me that these banks have burdened their depositors with an added risk by extending loans to a corporation whose ability to secure contracts needed to repay these loans may have been substantially diminished by having its reputation tainted in this fashion.

Although I am aware that federal investigations are ongoing, I am nevertheless

puzzled that given the sufficiency of documentation as established in the testimony taken before the Senate Subcommittee on Multinational Corporations, the Board, assigned as it is to oversee Lockheed's activities and to protect the interests of the American taxpayer, has yet to take any substantive action or to make public expression of its position on these matters.

As to the Emergency Loan Guarantee Board's activities in this regard, it is my understanding that the Board is scheduled to meet September 8 to review the loan renegotiation agreement. I also understand that representatives of Lockheed and the bank consortium have been invited to discuss with the Board, in private, the details of the agreement prior to the Board's deliberations. Given the past reluctance of all the parties presently involved to consider Lockheed's bribes abroad—and their implications for ensuring reasonable protection to the United States, as specified in the Emergency Loan Guarantee Act—it appears that the proceedings will not offer a balanced discussion of these critical matters.

Under these circumstances, I hereby request an opportunity to personally appear before the Board during its September 8 meeting. I wish to bring to the Board's attention the matters I have discussed as they relate to the Board's oversight mandate in considering the loan renegotiation agreement. I am prepared to submit a written statement five business days prior to the meeting, in accordance with the Board's rules of procedure. However, I feel that a representative of the Congress which created the Board should be entitled to make a personal presentation on the same basis as the other parties presently involved. As I understand that the Board's rules currently have no provision addressing this point, I trust you will take this opportunity to affirm that the public's representatives have an equal right to be heard on a decision affecting a potential commitment of taxpayer's funds.

Yours sincerely,

MICHAEL J. HARRINGTON.

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 26, 1976.

Mr. ARTHUR F. BURNS,
Chairman, Board of Governors of the Federal Reserve System, Federal Reserve Building, Washington, D.C.

DEAR CHAIRMAN BURNS: In June of this year, a consortium of 24 banks entered into a financial restructuring agreement with Lockheed Aircraft Corporation which involved the extension of $560 million in loans to the corporation, $160 million worth of which are covered by government guarantee.

In the course of hearings held by the Senate Foreign Relations Subcommittee on Multinational Corporations in February of this year, it became a matter of public record that officials of Lockheed either authorized or engaged in the payment of bribes to officials both in and out of numerous foreign governments. Since there was some question as to whether these payments were taken as illegal deductions on Lockheed's Income Tax returns and were not adequately accounted for in reports filed with the Securities and Exchange Commission, investigations were undertaken by the IRS, SEC and Justice Department.

I would appreciate your providing me with a determination as to whether granting loans of this size to a corporation under investigation by three agencies for possible criminal activity constitutes an unsafe or unsound banking practice, or whether any Federal Reserve System law, rule, regulation, or other condition may have been violated by any of the 24 banks involved in the consortium, all of which are members of the Federal Reserve System, in making these loans. (Attached is a list of the banks participating in the 1971 Credit Agreement.)

As I understand it, the Federal Reserve Board may order a bank to cease and desist from any practice which "is likely to cause insolvency or substantial dissipation of assets or earnings of the bank, or is likely to otherwise seriously prejudice the interests of its depositors . . ." (12 USC 1818 (c)(1)).

It seems to me that these banks have burdened their depositors with an added risk by extending loans to a corporation whose ability to secure contracts needed to repay these loans may have been substantially diminished due to having its reputation tainted in this fashion. I would urge that the Federal Reserve Board hold hearings to determine whether an order to cease and desist should issue against the 24 banks.

Yours sincerely,

MICHAEL J. HARRINGTON.

INTRODUCES BILL TO AUTHORIZE CORPS OF ENGINEERS TO CONSTRUCT FLOOD CONTROL FACILITIES ON CHEHALIS RIVER AT ABERDEEN AND COSMOPOLIS, WASH.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

Mr. BONKER. Mr. Speaker, I am today introducing a bill which would authorize the Corps of Engineers to construct certain flood control facilities on the Chehalis River at Aberdeen and Cosmopolis, Wash., as recommended by the corps' board on rivers and harbors in its report of June 15, 1976.

I understand that the corps will be testifying on the project, among others, on August 26 before the Water Resources Subcommittee of the Public Works Committee. It is my strong hope that the subcommittee will favorably consider this project and authorize it.

I insert in the RECORD at this point the report of the board on rivers and harbors of June 15.

DEPARTMENT OF THE ARMY,
Fort Belvoir, Va., June 15, 1976.

Subject: Feasibility Report on Chehalis River at South Aberdeen and Cosmopolis, Washington.

Chief of Engineers,
Department of the Army,
Washington, D.C.

1. *Authority.*—This report is in partial response to the following resolution adopted 19 April 1946:

Resolved by the Committee on Flood Control, House of Representatives, That the Board of Engineers for Rivers and Harbors, created under Section 3 of the Rivers and Harbor Act approved June 13, 1902, be and is hereby requested to review the report on the Chehalis River and tributaries, Washington, submitted in House Document numbered 494, Seventy-eighth Congress, second session, with a view to determining whether any modification of the recommendations contained therein should be made at this time.

2. *Description.*—The Chehalis River drainage basin in western Washington covers 2,114 square miles. The Chehalis River, about 125 miles in length, rises in the Willapa Hills southeast of Aberdeen and flows northeast, then northwest, emptying into Grays Harbor at Aberdeen. The basin uplands include the Willapa Hills, the western flank of the Cascade Mountains, and the southern part of the Olympic Mountains. Grays Harbor is approximately 15 miles long and 6 miles wide, and provides ocean vessel access to the Aberdeen-Hoquiam-Cosmopolis area. The area considered is the flood plain along the left bank of the Chehalis River from Devonshire Slough upstream to the main business district of Cosmopolis. It consists of about 1,560 acres and includes that part of the city of Aberdeen referred to as south Aberdeen, the town of Cosmopolis, and unincorporated areas in Grays Harbor County. The terrain is generally flat, but in the southern part rises gently and then sharply near the south city boundaries. The five sloughs which drain the area have elevations ranging from mean sea level to 525 feet above mean sea level. Mill Creek is the primary drainage channel. It emerges from a relatively steep, narrow canyon at Cosmopolis and passes through the flat residential area in a series of open channel sections connected by culverts.

3. *Economic development.*—The economic area tributary to south Aberdeen and Cosmopolis is Grays Harbor County, which covers about 1,900 square miles, or about half of the Chehalis River basin. Approximately 90 percent of the land is commercial forest, 6 percent is used for agriculture and grazing, 2 percent is urbanized, and the remaining 2 percent is covered by marshes, lakes, and noncommercial forest. Of the 2,260 acres in south Aberdeen and Cosmopolis, 65 percent is in public ownership or zoned residential, 10 percent is zoned for commercial uses, and 25 percent is zoned for industrial uses. The processing of wood products is the primary industrial activity in Grays Harbor County. Approximately 64 percent of the 1970 populaton of 59,533 is located in incorporated areas, with the remainder concentrated in rural areas adjacent to the Chehalis River and its tributaries. The contiguous cities of Aberdeen-Hoquian-Cosmopolis have a total population of about 30,600 with the flood plain under study having about 3,500. Between 1940 and 1970, the population of Grays Harbor County increased at an average annual rate of 0.4 percent. In contrast, during the last 7 years the flood plain has experienced a more rapid population growth with an average annual rate of 1.5 percent. The economic base of Grays Harbor County will continue to be related to developing forest resources with an increasing share directed toward log export, pulp, paper, plywood, prefabricated homes, and decorative wood products manufacturing. Trade and service industries are expected to grow due to expansion of sport fishing, tourism, and other recreational activities near Grays Harbor.

4. *Existing or authorized improvements.*—Local interests have provided flood protection improvements in south Aberdeen, and the Corps of Engineers has constructed a navigation channel between Grays Harbor and Cosmopolis. Wynoochee Dam, a multipurpose storage project on the Wynoochee River, a tributary of the Chehalis River, was completed by the Corps in 1972. This dam has no appreciable effect on Chehalis River stages at south Aberdeen and Cosmopolis.

5. *Problems and needs.*—The flood plain encompasses about 1,560 acres on the Chehalis River left bank at Aberdeen and Cosmopolis, Washington. Floods in south Aberdeen and Cosmopolis result from combinations of high Chehalis River discharges and high tides, aggravated by severe storms with low barometric pressure, strong onshore winds, and heavy precipitation in the Chehalis basin. Flooding of low interior areas occurs when high water in the Chehalis River backs up into Mill Creek. Consequently, the existing non-Federal levees are overtopped and portions fail. The highest recorded stages at Aberdeen occurred in 1912, 1913, 1923, 1933, and 1934. A recurrence of the flood of record, December 1933, at 1973 conditions and prices, would cause an estimated $4,431,000 in damages. Eighty-four percent of the damages would be residential, 5 percent would be commercial or industrial, and the

remaining 11 percent would include damages to public utilities, roads, bridges, and agriculture.

6. *Improvements desired.*—At public meetings and workshops in Aberdeen, participants discussed nonstructural alternatives, including flood plain management and floodproofing, as well as structural alternatives such as various levee alignments. Evaluation of environmental effects and engineering and economc data led to a general conclusion that some form of levee protection should be provided.

7. *Plan of improvement.*—The District Engineer finds that the most practical plan for flood protection would consist of 4.2 miles of embankment, 0.4-mile of floodwall, and 5 pumping plants at locations where the levee crosses existing natural drainage channels. The improvements would protect 1,288 acres of property in south Aberdeen and Cosmopolis from flood damages.

8. *Economic evaluation.*—The District Engineer estimates the initial first cost of the proposed improvement, based on 1973 price levels, to be $7,525,000, of which $7,160,000 would be Federal and $365,000 would be non-Federal. He estimates future Federal first costs to be $800,000. Annual charges, based on a 100-year period for economic analysis and an interest rate of 5⅞ percent, are estimated at $485,000, including $30,000 for operation and maintenance. Of this amount, $433,500 would be Federal and $51,500 would be non-Federal, including $30,000 for operation and maintenance. Present worth of the future Federal investment for pumping facilities is $192,000, while the associated non-Federal annual operation and maintenance costs are estimated at $1,000. Total project benefits, incorporating elimination of future damages to existing developments and elimination of future floodproofing costs, would be $922,000, resulting in a benefit-cost ratio of 1.9. Use of the 6⅛ percent interest rate would result in annual charges of $503,000, with annual benefits of $923,000, and benefit-cost ratio of 1.8.

9. *Recommendations of the reporting officers.*—The District Engineer recommends authorization of improvements for flood control at south Aberdeen and Cosmopolis, Washington, generally in accordance with plans described in his report and subject to certain items of local cooperation. The Division Engineer concurs.

10. *Public notice.*—The Division Engineer issued a public notice stating the recommendations of the reporting officers and affording interested parties an opportunity to present additional information to the Board. No communications have been received.

VIEWS AND RECOMMENDATIONS OF THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS

11. *Views.*—The Board of Engineers for Rivers and Harbors concurs in general in the views and recommendations of the reporting officers. However, the reporting officers recommend that the Federal Government assume responsibility for installation of interior drainage facilities, and they note that these facilities may not be required until 25 years after initial project operation. The results of investigations by the Board show there is a lack of basic hydrologic data of the interior drainage watersheds for reasonable identification of the need for these future facilities. The Board notes that project operating experience and actual growth rates of future development are also factors that will influence the need for these future facilities. If additional control over future increases in interior drainage runoff is warranted, it should be the responsibility of local interests to meet these future needs through implementation of structural or nonstructural measures.

12. The Board agrees that protection against a 200-year flood event represents the economically optimum plan of development. However, the flood plain is a highly urbanized area characterized by residential, commercial, industrial developments, and public facilities. Major flood events greater than the 200-year frequency, such as the standard project flood, may cause serious flooding in the project area. Overtopping of the proposed levees and floodwalls could result in loss of human life and extensive property damage due to high velocities of the floodwaters and lack of sufficient time to notify occupants located in the flood plain. As a result of these investigations by the Board, protection against the standard project flood is considered appropriate. The levee and floodwall alignment would remain essentially unchanged from the plan presented in the District Engineer's report. However, these structures would be approximately 0.8 and 1.4 feet higher at the downstream and upstream ends, respectively. Construction costs for protection against the standard project flood are estimated at $11,062,000. Based on January 1976 price levels, an interest rate of 6⅛ percent, and a 100-year period for economic analysis, annual benefits and costs are estimated at $1,218,000 and $713,000, respectively, resulting in a benefit-cost ratio of 1.7. Non-Federal costs associated with this degree of protection are presently estimated at $533,000 for lands, easements, and rights-of-way, and $34,000 annually for operation and maintenance of the project works.

13. The effects on regional development and social well-being were evaluated, and the Board believes that construction of levees and floodwalls would provide a significant contribution to the regional economy and result in an improvement of social well-being. The Board has also carefully considered the environmental effects, including those discussed in the Revised Draft Environmental Impact Statement dated April 1975, and notes that the improvements are expected to have little adverse environmental effect.

14. *Recommendations.*—Accordingly, the Board recommends that improvements for flood control be authorized for construction on the Chehalis River at south Aberdeen and Cosmopolis, Washington, generally in accordance with the plan of the District Engineer, and with such modifications thereof as in the discretion of the Chief of Engineers may be advisable, but modified to: (a) provide protection against the standard project flood, and (b) require local interests to assume responsibility for controlling future increases in interior drainage runoff. The first cost to the United States for these improvements is presently estimated at $10,529,000 for construction. These recommendations are made with the provision that, prior to commencement of construction, non-Federal interests agree to:

a. Provide without cost to the United States all lands, easements, and rights-of-way, including borrow areas and disposal areas for excavated material determined suitable by the Chief of Engineers and necessary for the construction of the project;

b. Accomplish without cost to the United States all alterations and relocations of buildings, transportation facilities, storm drains, utilities, and other structures and improvements made necessary by the construction;

c. Hold and save the United States free from damages due to construction works, not including damages due to the fault or negligence of the United States or its contractors;

d. Maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of the Army;

e. Prescribe and enforce regulations to prevent obstruction or encroachment upon the project levees, floodwalls, channels, or ponding areas, that would be detrimental to the flood control purposes of the project and, if ponding areas or interior drainage channel capacities become impaired, or exceeded, promptly implement structural or nonstructural measures for control to restore the capability of the Federal project, without cost to the United States; and

f. Prevent encroachment on the rights-of-way of the works that would interfere with project operation and maintenance.

J. W. MORRIS,
Major General, USA, Chairman.

SUBCOMMITTEE ON MANPOWER, COMPENSATION, AND HEALTH AND SAFETY TO HOLD FIELD HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I wish to bring to the attention of my colleagues a press release issued by the Subcommittee on Manpower, Compensation, and Health and Safety, which I chair. This release describes a schedule for oversight hearings on the Comprehensive Employment and Training Act of 1973, and details the dates of the hearings, the cities where field hearings will be held, and the specific issues which the subcommittee will explore.

We have scheduled several days of hearings in Washington, and I know that many of my colleagues may wish to present testimony to the subcommittee or offer written statements for inclusion in our hearing record.

The subcommittee welcomes any contribution our colleagues wish to make, and I would request that interested colleagues contact the subcommittee staff at 225–6876.

The release follows:

DANIELS' SUBCOMMITTEE ANNOUNCES HEARINGS

WASHINGTON, D.C.—Representative Dominick V. Daniels, (D–NJ, 14th) today announced that the Subcommittee on Manpower, Compensation, and Health and Safety will conduct a series of field hearings on the Comprehensive Employment and Training Act of 1973 (CETA). These hearings will take the Subcommittee into seven cities between now and the end of the year. An additional five days of hearings have been scheduled in Washington.

CETA is a complex law which embodies our national policies for dealing with the problems of training and employment. The legislation provides funds to state and local governments for the operation of comprehensive manpower programs, provides funding for the operation of public service employment programs in areas of substantial unemployment, and authorizes the Secretary of Labor to operate manpower programs for special target groups. It also places the responsibility for operating the Job Corps within the Department of Labor. The last major provision of CETA, Title VI, provides for a nationwide public service employment program. Title VI was passed in 1974 in response to the nation's alarmingly high unemployment rate.

Congressman Daniels noted that the authorization for CETA expires May 15, 1977 and said his hearings will lay the groundwork for possible revisions of CETA during the next Congress.

He said he expects to take testimony from government officials in Washington and in the regional offices, other Members of Congress, national organizations involved in CETA, the prime sponsors who operate CETA programs, and other interested groups at the state and local level.

Mr. Daniels announced the following hearing schedule:

August 26, 1976, Washington, D.C.
September 16, 1976, Washington, D.C.
September 17–18, 1976, Los Angeles, California.
September 21, 1976, Washington, D.C.
September 23, 1976, Washington, D.C.
September 29, 1976, Washington, D.C.
October 7, 1976, Boston, Massachusetts.
November 8, 1976, Chicago, Illinois.
November 9, 1976, Minneapolis, Minnesota.
November 18–19, 1976, Portland, Oregon.
December 2, 1976, Denver, Colorado.
December 3–4, 1976, Phoenix, Arizona.

He said the Subcommittee will concentrate on a number of specific issues:

I. THE FEDERAL SUPERVISORY ROLE

CETA contemplated a decentralization of decision-making authority on program details, design and mix of services, with Federal review and supervision to ensure that the basic policies of the Act were carried out.

Has Federal review of prime sponsor plans and performance been effective in enhancing the achievement of CETA purposes? Has the Labor Department (and particularly the Regional Offices) interjected itself into program details? Has it developed review procedures that assess the adequacy of plans and performance against the statutory objectives. Has the Department been excessively concerned with management details rather than the value of the manpower program itself?

II. ADMINISTRATIVE EFFICIENCY

CETA has been described as a reaction to a multiplicity of categorical programs administered through about 10,000 individual contracts. Has the multiplicity of categorical programs disappeared from the national scene only to reappear at the local level? How many separate programs are prime sponsors operating? How many separate contracts? Is there better coordination of programs at the local level than there was when training programs were Federally operated? Is there less duplication of programs and services?

III. CATEGORICAL FUNDING

CETA was premised on the desirability of leaving decisions on program mix and clientele selection (with broad guidelines) to local decision-makers. With the assent of prime sponsor groups, Congress has reestablished categorical programs (Title VI) and categorical funding (summer youth and older workers programs). Is there a continued need for national decision-making on clientele and programs or can the decision on clientele to be served be left to local decision-makers?

IV. PROGRAM EFFECTIVENESS

CETA basically did not change the substance of the manpower programs but only their administration. The premise was that decentralized administration would make for "better" programs.

How do CETA programs compare to their predecessors? Are clients getting better jobs? More jobs? Is there more or less slippage between training and employment?

V. PERSONS SERVED

CETA provides that manpower services will be provided to those most in need of them. Who has received services under CETA? How do they compare with the recipients under earlier programs? Are the changes consistent with the statutory language?

VI. RELATION TO OTHER PROGRAMS

CETA is only one of a series of programs providing manpower services in a community. Has the new administrative structure made it easier or more difficult to coordinate manpower programs with related programs, especially the U.S. Employment Service, Vocational Education programs and the WIN program? Is the relation between the local prime sponsor and the state a satisfactory one?

VII. PUBLIC SERVICE EMPLOYMENT

Has the distinction between Title II and Title VI been maintained? Has there been a difference in the two titles in movement into unsubsidized employment? Does it make sense to have two separate public service employment and work experience programs?

What problems have there been with maintenance of effort and substitution of federal for state and local funds?

Daniels requested that all interested persons and organizations wishing to testify designate one spokesman to represent them where they have a common interest. Any interested individual or organization may file a written statement for consideration by the Subcommittee and for inclusion in the printed record of the hearing instead of appearing in person.

LAKESHORE PROTECTION EFFORTS NEED A BOOST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Speaker, for the fourth straight year, the shoreline residents of Lake Ontario and the other Great Lakes have been faced with destructively high water levels. In tandem with strong northerly winds, the high water levels have resulted in extensive erosion of the Lake Ontario shoreline. Some of my constituents have informed me that they have lost considerable shoreline footage through the erosion process. I myself have made a number of trips to personally inspect the damages and I can verify the reports 100 percent.

Land that is lost in this way is lost not only for the present owners of the property, but for all posterity. I am tremendously concerned about the land and personal property that has been lost over the past few years, and I am doing everything I can to insure that extensive erosion does not hit us again for the next 4 years. I have introduced two pieces of legislation that attempt to deal directly with this problem which I would like to address today.

The first bill that I introduced, H.R. 14389, represents an attempt to map out a strategy to protect the Lake Ontario shoreline from the kind of erosion it has sustained for the last 4 years. The bill directs the U.S. Army Corps of Engineers to develop a plan for shoreline protection and control along Lake Ontario, and I would at this juncture like to make a copy of H.R. 14389 available for the RECORD:

H.R. 14389

A bill to protect the shoreline of Lake Ontario

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "Lake Ontario Protection Act of 1976".

SEC. 2. The Secretary of the Army, acting through the Chief of Engineers, is directed to develop a plan for shoreline protection and beach erosion control along Lake Ontario, and report on such plan to the Congress as soon as practicable. Such report shall include recommendations on measures of protection and proposals for equitable cost sharing, together with recommendations for regulating the level of Lake Ontario to assure maximum protection of the natural environment and to hold shoreline damage to a minimum.

SEC. 3. Until the Congress receives and acts upon the report required under section 2 of this Act, all Federal agencies holding responsibilities affecting the level of Lake Ontario shall, consistent with existing authority, make every effort to discharge such responsibilities in a manner so as to minimize damage and erosion to the shoreline of Lake Ontario.

SEC. 4. There is authorized to be appropriated to carry out this Act such sums as may be necessary.

I introduced my second bill today, and it is a two-pronged effort to encourage shoreline residents to construct breakwalls and other protective edifices to guard against erosion; at the same time, it would extend favorable tax treatment to those individuals who build such structures to protect their property. It is my hope that the favorable tax treatment accorded individuals under my bill will encourage them to undertake the protective efforts they need, and that the combined efforts of numerous shoreline residents will add up to an extensive and long-lasting network of protection along those parts of the shore most susceptible to serious erosion.

As both incentive and legitimate compensation, favorable tax treatment should be accorded the protective efforts undertaken by shoreline residents. The costs of constructing protective walls and other devices that will serve their purpose long into the future can be prohibitive for the average citizen. H.R. 15299 would permit a deduction of 50 percent of the costs of qualified erosion prevention expenditures.

To insure that the favorable tax treatment would only be used for protective devices that would last long into the future, the bill permits a deduction only for those edifices which have a minimum useful life of 20 years or more. To insure that the revenue loss is no larger than absolutely necessary, the Corps of Engineers is designated to select only those portions of the shoreline along the Great Lakes that are most susceptible to erosion damage, such as the area on the southern shore of Lake Ontario in western New York State. There are a number of other sound provisions in the bill which work to insure that the legislation will have its intended effect of encouraging long-term protection against the hazards of erosion, and I insert a copy of H.R. 15299 for the RECORD at this time:

H.R. 15299

A bill to amend the Internal Revenue Code of 1954 to allow a deduction for property improvements designed to prevent shoreline erosion caused by high water levels in the Great Lakes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 189. QUALIFIED EROSION PREVENTION EXPENDITURES.

"(a) IN GENERAL.—A taxpayer may elect, at such time and in such manner as the Secretary or his delegate may prescribe, to treat 50 percent of the qualified erosion prevention expenditures which are paid or incurred by him during the taxable year as expenditures which are not chargeable to

capital account. The expenditures so treated shall be allowed as a deduction.

"(b) QUALIFIED EROSION PREVENTION EXPENDITURES.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified erosion prevention expenditures' means expenditures made for improvements—

"(A) of real property within the United States which—

"(i) borders the Great Lakes, or

"(ii) is within any area designated by the Chief of Engineers of the United States Army as being susceptible to erosion caused by high water levels in any of such lakes or any of their tributaries or connecting waters,

"(B) designed to prevent or reduce shoreline erosion of such property,

"(C) which are of a type designated by such Chief of Engineers under subsection (c) and which meet the specifications established by him under such subsection,

"(D) which are placed in service after the date of the enactment of this section and before December 31, 1981,

"(E) which have a useful life of 20 years or more, and

"(F) with respect to which no subsidy, loan, loan guarantee, or other financial assistance is or has been provided under any other Federal, State, or local law.

"(2) CERTAIN EXPENDITURES IN EXCESS OF PRESCRIBED MAXIMUM.—

"(A) EXCLUSION.—The term 'qualified erosion prevention expenditures' does not include expenditures for any improvement to the extent such expenditures for such improvement exceed the maximum authorized cost for such improvement prescribed under subsection (c)(3).

"(B) JOINT OWNERSHIP, ETC.—In the case of any improvement expenditures for which are paid or incurred during any calendar year by two or more individuals—

"(i) the amount excluded under subparagraph (A) with respect to any of such individuals with regard to such improvement shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(ii) the exclusion under subparagraph (A) with respect to each of such individuals for the taxable year in which such calendar year ends shall be an amount which bears the same ratio to the amount determined under clause (i) as the amount paid by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(c) SPECIFICATIONS, ETC., TO BE PRESCRIBED BY ARMY CORPS OF ENGINEERS.—Not later than 180 days after the date of the enactment of this section, the Chief of Engineers of the United States Army shall, by regulation—

"(1) designate the type of improvements expenditures for which qualify for the deduction provided by this section,

"(2) prescribe specifications for each such type of improvement, and

"(3) establish the maximum cost which he considers reasonable for each such type of improvement.

"(d) REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified erosion prevention expenditures made with respect to such property to the extent of the amount of any deduction allowed under this section with respect to such expenditures."

I urge all of my colleagues to review the problems that each of the Great Lakes has been experiencing in the past few years, and I urge my colleagues to join me in an effort to enact meaningful legislation that addresses the problems of extensive shoreline erosion throughout the Great Lakes region.

ADDITIONAL JUDGES NEEDED IN SOUTH FLORIDA

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, the right to a prompt and fair trial is granted to each American under our constitutional system of law. This is the bedrock underlying our entire democratic process, which emphasizes the rule of law and equal rights for every citizen.

Unfortunately, this right is endangered in the south Florida area which I am privileged to represent in Congress. The judicial system responsible for implementing the right to trial is burdened by a crushing load of cases that has all but halted the consideration of new matters.

This means that in the southern district of Florida, an American citizen who is aggrieved and seeks court action to redress his injury may be unable to obtain the remedy that our law promises is available.

In short, there may be a breakdown in the system of justice.

What is needed is additional Federal judges in the southern district of Florida to help handle the growing caseload. The few existing judges have been working tirelessly to process the heavy volume of cases, but it is a hopeless task unless more judges are provided.

The Subcommittee on Monopolies and Commercial Law of the House Committee on the Judiciary has been considering H.R. 4421, an omnibus judgeship bill that in its present form provides two more judges for the southern district. A comparable measure passed by the Senate includes one additional judgeship for the district.

Conservative studies of the need show that at least 5 additional judges are needed, along with trial and appellate judgeships. The middle district of Florida also has an urgent need for more judges, and two are provided in H.R. 4421.

In my testimony today to the subcommittee on this legislation, I pointed out that the southern district of Florida is the most heavily burdened urban district in the country, and the situation is worsening at an alarming rate.

It seems to me that Congress should act as promptly as possible to provide the additional judgepower needed in south Florida. We can do no less if we want to assure the continued availability to the citizens of this area the full rights and liberties accorded under our Constitution and legal system.

I include the following:

TESTIMONY BY HON. DANTE B. FASCELL BEFORE THE SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW OF THE HOUSE COMMITTEE ON THE JUDICIARY, ON BEHALF OF LEGISLATION TO PROVIDE ADDITIONAL FEDERAL JUDGESHIPS FOR THE SOUTHERN DISTRICT OF FLORIDA, AUGUST 26, 1976

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to state my views on the omnibus judgeship bill, H.R. 4421.

For most of the requests you may hear for additional judgeships, the need is pressing.

For the Southern District of Florida, however, the need is an acute emergency.

The serious situation in this district goes to the very heart of our system of law. If we are not able to provide a fair trial in a reasonable period of time, the process of justice falls apart.

The Southern District of Florida is faced with the prospect of being completely overwhelmed by an escalating caseload that simply cannot be handled by the small number of judges available. The legal system is in danger of breaking down under the crushing burden of too many cases.

In the first half of fiscal year 1976, the Southern District had 2,336 civil cases and only 7 judges to handle them. By contrast, the Northern District of Illinois (Chicago) had 2,212 cases and 13 judges to handle them. The Eastern District of Pennsylvania (Philadelphia) had 1,883 cases and 19 judges.

The alarming fact is that the Southern District of Florida is the most heavily burdened metropolitan court in the country, and the situation is getting worse. The caseload increased by 91.8 percent in the first half of fiscal year 1976, as compared with the similar period in fiscal year 1975.

Florida is the most rapidly growing State in the nation in population, and that part of the State which makes up the Southern District is growing at a faster rate than the remainder of the State. Unless help is provided at an early date, our judges will be unable to cope with the load and it will become impossible to obtain a trial in a reasonable period of time.

Although civil cases increased by almost 92 percent and criminal case filings increased by 21 percent in the first six months of fiscal year 1976, the Southern District has prepared a *conservative* projection of minimum judgeship needs based on an increase of only 14 percent per year. This shows that the minimal need during the period 1976–1980 will be 12 additional judgeships, 5 of which are urgently needed at the present time.

This does not include any of the difficult and time consuming condemnation cases which will arise from the pending purchase of 570,00 acres of land in connection with the Big Cypress National Preserve project. This is the most massive eminent domain program ever instituted anywhere in the United States, and as many as 40,000 condemnation cases are expected to flood the Southern District court beginning almost immediately and continuing for the next six years.

Experience with the recent Biscayne National Monument project and Everglades National Park condemnations shows that these cases are both time consuming and tedious. Presently, some 70 cases from these two projects are on appeal from the Southern District court. This massive addition to the already formidable workload will probably be beyond the capacity of the court to deal with unless even additional judges, whether temporary or permanent, are assigned.

Already, hearings and trials in civil cases are being substantially delayed. Unless more judges are provided, it could become necessary to impose a virtual moratorium on new civil cases. If that should occur, it would not be possible for aggrieved persons to secure justice in Miami and South Florida. There would be no system of justice.

In view of the urgency of this matter, I respectfully urge that at least 5 judges be provided in the pending legislation, for the Southern District of Florida. Even this number would not solve the problem beyond the next two years or so. It would only give breathing time while we try to plan for meeting the growing judicial needs through 1980.

Thank you for your consideration of this request.

TRIBUTE FOR HON. WILLIS SARGENT

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, there are many occasions on which this great House has been asked to pause in posthumous reflection and tribute for men and women of distinction and significant merit for their contributions to our commonweal. No such observance is more poignant than when the remembrance is for one who embodied so much that is good in the human spirit and humble in its outward expression. I ask you to pause with me today in such a moment for such a man.

Onondaga County in upstate New York has been the fortunate beneficiary of the talent and dedication of one of the most respected and widely admired men to make themselves available for public service. I refer to County Legislator Willis Sargent who died this past Sunday.

The life of Willis Sargent spans almost fourscore years of our history and growth as a nation. Born in the 19th century, he became one of the apostles of the 20th century. Never forgetful of his roots in central New York, he ventured forth to the golden West to begin a new career at age 50, and then returned for a third fulfilling "new" life.

Indomitable, Willis lived life to the fullest measure, always with tact and discretion, compassion and appreciation for the frailty of human nature. To all who had occasion to meet him and experience his unique brand of seriousness and good humor there will be a lasting recollection of his even disposition and fair manner. Perhaps it was the experience of life which only comes with the life well lived that gave to Willis' temperament the fine patina of equanimity which was his hallmark.

Somehow, though, I have to believe that even as a young man growing up in those years around the turn of the century he displayed the inherent fairness and bull-dog determination which made his success in law and in public service a logical expectation.

So outstanding were these qualities of perseverance and fairness when wedded to talent and insight that the rare distinction of election to the State assemblies of two States—New York and California—was not astonishing to anyone who knew Willis Sargent.

It was my pleasure to know him, Mr. Speaker, and to point him out as a man worthy of emulation. Not that agreement was always the companion of our encounters, for just as he was tolerant of dissent so he was vigorous in his opinion and his defense of what he felt to be the truth.

Certainly, there are many in our community has had occasion to know Willis on a professional level, on a political level, and on a social level. And then there are those who worked with him as he spent the capital of his spirit and brilliance in the philanthropy of service to many agencies and groups which were concerned for the lives and futures of thousands of central New Yorkers.

The press accounts and television treatments of public men and women can only touch the surface of their real identities and often gives a flat and unidimensional aspect to their lives. Willis Sargent was able to get beyond that limitation of media by his personal dynamism and force of personality to show a man of substance and concern—a man who dignified the life of the politically active citizen and increased the repute for public service among all segments of our county.

Mr. Speaker, I join those leaders of central New York who unite in common voice and lament for the passing of Willis Sargent. We will miss him, but we will not forget him.

So too, I ask this House to join in expressing its sympathy to the family which survives Willis Sargent, his wife, Ann; two sons, Willis, Jr. and Richard H.; two daughters, Mrs. Sandra Holcomb and Mrs. Nancy Hunterton; two brothers, Paul and Frank Sargent; a stepsister, Mrs. Katherine Ackerman; and nine grandchildren.

I include at this point extracts from the news accounts of Mr. Sargent's passing:

TRIBUTE FOR HON. WILLIS SARGENT

Willis Sargent, 79, one of Onondaga County's most respected public servants, died yesterday of a heart attack.

Mr. Sargent, chairman of the County Legislature and a former member of the New York and California state assemblies, was stricken while visiting his summer home at Wellesley Island in the Thousand Islands.

Onondage County Executive, John Mulroy, contacted yesterday, called Mr. Sargent's death "a terrible loss" to the county.

Mulroy, who ordered county flags flown at half-staff in tribute to Mr. Sargent, said, "his passing leaves a void in the community that will be difficult to fill because his talents were many and varied.

"I consider it an honor to have known Willis personaly and to have availed myself of his wisdom, expertise and counsel in a variety of matters," Mulroy said. "I know I speak for those who knew him personally and the thousands who knew him by reputation in saying thanks, from a grateful community, for a job well done."

"MAN OF FAIR PLAY"

Michael J. Bragman, Democratic Floor Leader in the Legislature, called Mr. Sargent "a good and trusted friend."

"The citizens of this county have lost a uniquely dedicated representative, who always, and with no hesitancy, carried out his responsibilities in the public interest," said Bragman. "He was a man of fair play, imagination and vision. We will all miss him."

County Republican Party Chairman Richard J. Hanlon called Mr. Sergant "a unique man and a legislator of extraordinary ability."

He said Mr. Sargent "excelled as a conciliator, who worked hard at making friends of those with differing views."

"His keen mind and steady hand will be missed," said Hanlon.

Mayor Lee Alexander said "The loss of Willis Sargent is a deep personal wound to all of us who knew him. It is also a severe jolt to county government because Mr. Sargent was a great balancing element in the legislative dialogue.

"He was experienced, perceptive and compassionate. He was one of our finest public officials, an inspiring figure who will be remembered with affection and admiration."

"He was one of the oustanding men in the county," said William F. Fitzpatrick, Sr., a Syracuse attorney whose acquaintance with Mr. Sargent began as a law student in the 1920's.

TAUGHT LAW

Fitzpatrick was a pupil in an evidence course taught by Mr. Sargent at the Syracuse University College of Law.

"We were on opposing sides in a lot of lawsuits over the years, but he was always a fair, decent man, and an aggressive lawyer who had his client's best interests always in mind," said Fitzpatrick.

Born in Syracuse on Oct. 11, 1896, Mr. Sargent became a success in the practice of law in the military, and in political roles at the municipal, county, state and federal level.

A graduate of Yale University and the Harvard University Law School, Mr. Sargent was admitted to the New York State Bar Association in 1923.

He was elected to the State Assembly in 1925, and remained for eight years before winning a term as president of the Syracuse Common Council.

While in the State Legislature, Mr. Sargent was considered something of a political maverick—a reputation he was proud of and often referred to even in his later years.

UNSUCCESSFUL ATTEMPT

Although a Republican, he voted with Assembly Democrats in an unsuccessful attempt to amend the state's Prohibition Enforcement Act, and publicly counseled other Republicans to avoid the mistake of criticizing every suspect of Roosevelt's New Deal program.

After one term as Common Council president, Mr. Sargent moved to California, and pulled off a rare trick by becoming a member of that state's Assembly in 1948, one of a few Americans to hold State Legislature posts in two states.

Mr. Sargent had fought in World War I as a first lieutenant in a field artillery unit, but he enlisted in the Navy in 1943, and served with distinction as a captain who helped write the surrender terms for the Nazis and also aided in negotiations with the Russians and the British.

He also acted as an advisor to Ambassador John G. Winant in London, and as diplomatic deputy to Adm. Harold R. Stark.

His naval role won him the Legion of Merit.

HOOVER COMMISSION

After the war, Mr. Sargent was chairman of the speakers' bureau for the first Hoover Commission in Southern California, and chairman of the Upstate New York Committee to Enact the Second Hoover Commission Reforms in Federal Government.

During the 1950's he spent much of his time lecturing college law classes and representing business and industry in labor negotiations and court cases.

Moving back to the Syracuse area in the early fifties, he was active in civic affairs but did not re-enter the political arena until 1968, when he was elected to the County Legislature.

He was picked as majority leader in 1972, and became chairman this year.

Mr. Sargent, a devout Presbyterian, was president of the Syracuse Area Council of Churches for two terms during the sixties.

Throughout his adult life, he was an avid golfer and sports fan.

He remained vigorous until his illness earlier this year, and amazed his friends three years ago when, at the age of 76, he injured his achilles tendon playing softball at a Legislature clambake.

SPEARHEADED LEGISLATION

During his County Legislature career, Mr. Sargent spearheaded many important pieces of legislation. He was instrumental in opening up Legislature committee meetings to the public, headed a reapportionment commission, and fought in vain for giving county

school districts a share of the local sales tax revenues.

He three times headed the Legislature's special Budget Review Committee, and headed a special committee that pared millions of dollars from the cost of construction of the new Onondaga Community College campus.

Mr. Sargent is survived by his wife, Ann; two sons, Willis Jr. and Richard H. (a partner in his father's law firm); two daughters, Mrs. Sandra Holcombe (wife of Dist. Atty. Jon K. Holcombe) and Mrs. Nancy Humberton of Detroit, Mich.; two brothers, Paul of Boston and Frank Sargent of Pottstown, Pa.; a stepsister, Mrs. Katherine Ackerman of Devon, Pa.; and nine grandchildren.

Services will be at noon Wednesday at First Presbyterian Church, 620 W. Genesee St., the Rev. Robert B. Lee and the Rev. Gordon V. Webster officiating.

A private family service will precede the church service, according to Fairchild and Meech Funeral Home, which has charge of arrangements.

Mr. Sargent will be buried in Oakwood-Morningside Cemetery.

There will be no calling hours. Contributions in Mr. Sargent's memory may be made to the First Presbyterian Church Memorial Fund, or to a charity of one's choice, the family said.

MRS. BLANKA ROSENSTIEL

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, one of the great and lovely ladies of Miami and of America is Mrs. Blanka Rosenstiel, widow of the late businessman and philanthropist, Lewis S. Rosenstiel. One of the many outstanding organizations which Mrs. Rosenstiel heads is the American Institute of Polish Culture in Miami. Both Mrs. Rosenstiel and the American Institute of Polish Culture in Miami have made immeasurable contributions to Polish culture in America and to many other causes of educational, humanitarian, and cultural significance. On May 29 of this year Mrs. Rosenstiel was awarded an honorary degree by the International Fine Arts College in Miami. The citation for that degree reveals the inspiring background and work of Mrs. Rosenstiel. I ask that this citation appear in the body of the RECORD immediately following these remarks.

Earlier this year Mrs. Rosenstiel was signally honored by the Polish American magazine, Perspectives. Mrs. Rosenstiel, in accepting the Perspectives Achievement Award, delivered a very able and eloquent address explaining the work of the American Institute of Polish Culture in Miami, its contribution to the development of Polish culture, and her keen interest and dedicated service to the cultural development of the Greater Miami area and our whole Nation. Mrs. Rosenstiel is a shining example of what many people coming to this Nation from abroad have done in America not only to preserve their historic culture but to stimulate and develop our own. Mrs. Rosenstiel is an eminent leader of the cultural, spiritual, and humanitarian forces of our country. I am sure that the Members of the Congress not only applaud those who previously honored Mrs. Rosenstiel but wish to join also in paying the highest tribute and honor to her for what she has done and continues to do to make ours a more beautiful and better country.

Mr. Speaker, I include Mrs. Rosenstiel's acceptance of the Perspectives Achievement Award in the RECORD:

BLANKA ROSENSTIEL ACCEPTANCE OF PERSPECTIVES ACHIEVEMENT AWARD

I am greatly honored by the Award and I gratefully accept it with the understanding that it is not me, personally, who has been awarded but the American Institute of Polish Culture in Miami—an organization of more than four hundred Americans of different ethnic backgrounds and one common denominator: profound interest in and enthusiasm for the great cultural heritage of the Polish nation and its contribution to American civilization.

When some four years ago our Institute was born, it had a different name: "Polish-American Cultural Institute." We came to change the Institute's name, because our experience reflected a very important truth which can be helpful to all Polish cultural organizations in pursuit of their goals.

As our Institue expanded its activities and began to organize events which aroused a general interest in our community, more and more people came to me with these questions: "Why are you called a Polish-American Institute? Are you an exclusive Polish organization? Are you closed to others? I realized that the name should be changed; that it should reflect the basic fact that we were an American organization, open to all Americans, not only those interested in Polish culture but all those motivated by the urge to enrich the cultural life of their community. To be sure, love of the country of my fathers, of its magnificent heritage and history, constittued my main motivation when founding the Institute. But I soon came to realize that—in order to be really successful—a Polish cultural organization cannot remain a closed entity, isolated by a language barrier from its community, and, indeed, from its own youth.

In order to be successful in today's America, a Polish cultural organization *must be American!* While promoting the Polish culture, it must be an integral part of its community—and more—it must be a major creative force contributing in a significant way to the community's cultural life.

We must throw our doors wide open to our fellow Americans of other ethnic origins. They will come when they see that we all speak the same language. They will come because an American has a healthy urge to learn, to know more about other Americans and their backgrounds. Let's let them in.

How did our Institute achieve this goal? First, we established working contacts with local universities, civic and cultural organizations and our local Government. The University of Miami enthusiastically helped us to organize and sponsor the First National Frederic Chopin Piano Competition in Miami It also cooperated with us in organizing an International Conference on Joseph Conrad. The Miami Philharmonic and the University made their concert halls available for our musical events. The Miami Art Center co-sponsored an exhibition of Polish graphics, tapestry and posters. The W.P.B.T.-T.V. educational channel has videotaped and televised the beautiful Harp Ensemble. It has also shown "The Ascent of Man" by Dr. Bronowski, a 13-hour program which we have underwritten twice for our community. We had "Mazowsze" just recently. Our annual balls are part of our community's life. The "Perspektywa Polska" exhibition, created at our Institute, is at present traveling throughout the United States, shown at universities and public libraries. This is just to mention a few. We always have support of our City and State Governments when applying to have Polish-American days proclaimed in Miami and in Florida. The Mayor of the city of Miami—the Honorable Maurice Ferre—is a member of the Board of Directors of our Institute.

Please, don't misunderstand me: I am far from implying that our work is an uninterrupted chain of success. We have had difficulties as well. But these don't change the basic rule which is: come out with daring and initiative, and you will get a response almost immediately. When organizing events try to cooperate with the established prestigious organizations—even if, at first, theirs will be the glory.

My experience teaches me that we should be more active in the field of Public Relations. Our Polish-American community has been underrating the importance of this area of activity. We don't have enough Polish-American journalists and writers in our national media. Our organizations and clubs are often excessively modest about the important work they are doing. It is time for us, Polish-Americans, to stand up and talk a bit louder about ourselves and our place in this nation.

Our Institute offers only one kind of scholarship—scholarships for Polish-American students of Public Relations. I think this Fact fully reflects the importance our organization attaches to this field.

Quite often I hear and read complaints about Polish-American youth. We are often disappointed by young people's lack of interest in our organizations. We blame them with indifference toward our club and social activities. Very often we hold it against them when they don't speak Polish.

Of course, it is impossible to penetrate and analyse every human situation. I am far from idolizing the youth; there are many cases when a young man or woman must be told an unpleasant truth. But, in general, I am very optimistic about our Polish-American young generation. We have a number of young people among our members. Actually, about 20% of our members are below 30. They joined the Institute because they wanted to learn more about their cultural and national background and because they want Polish culture to be better known. Most young Polish-Americans I know are strongly attracted by it, when it is offered in a form they understand and can be proud of. But let us not make a mistake about it: they are Americans. They feel and think American. And we should not complain about it but adapt our educational and cultural activities to this irreversible fact of life. A cultural organization—as opposed to a social club—should endeavor to abolish language and background barriers. We shall easily reach our young people when we speak to them in the language they understand and when we prove to them that our activities are not aimed at isolating ourselves from the mainstream of American life but, on the contrary, that they are a significant factor and an inspiration in the development of our common American culture.

Ladies and Gentlemen: The experience of our Institute, of all our struggles, setbacks and victories—and indeed the experience of my whole life—has taught me a vital lesson which can be summarized in these simple words: Let us think positive and adopt positive plans and we shall succeed, let us be more confident in ourselves and more comfortable with the world that surrounds us. We can influence it. Only first we must be an integral and active part of it.

BLANKA ROSENSTIEL

It is a privilege to name Blanka Rosenstiel who has been recommended by the Faculty of International Fine Arts College to receive the Doctor of Fine Arts Degree (Honoris Causa).

Born in Warsaw, Poland where she was

educated in the classical European manner, Blanka Rosenstiel soon realized that her many talents could best be developed by studying various forms of Art, Design and Music. She pursued her studies in Brussels, Belgium. From her art studies in Europe she made the difficult transition to the United States where she continued under private tutorship. Most of her work has been donated to public institutions where they are on permanent exhibit and have received artistic acclaim.

In 1967 she married the late Lewis S. Rosenstiel, a philanthropist and humanitarian who was the Chairman of Schenley Industries, a world-wide company. As the wife, confidante and associate of Lewis S. Rosenstiel, she contributed immeasureably to his internationally-renowned philanthropies. In 1972, both her artistic inclinations and a desire to propagate the culture of her homeland inspired her to found, in Miami, the American Institute of Polish Culture, which she currently serves as President.

The National Frederic Chopin Piano Competition, the International Joseph Conrad Conference, both held in Miami, as well as the "Perspektywa Polska" traveling exhibition, representing 1000 years of Polish history and culture, are just a few of the many culturally-oriented and educationally-enlightening projects realized under her guidance at the Institute.

Mrs. Rosenstiel is a member of the Board of Governors of the Museum of Science and a member of the Board of Directors of: WPBT TV Channel 2, Florida International University Foundation, Recording for the Blind, Council for International Visitors, Papanicolaou Cancer Research Center, Metropolitan Museum, Opera Guild, all of Miami, and the American Council of Polish Cultural Clubs of Washington, D.C., The International Chopin Society, Polish Assistance and the Kosciuszko Foundation in New York. In addition, Blanka Rosenstiel devotes her personal energies and financial assistance to many local charitable organizations such as the Welfare Society for Animals, Ballet Society, The Internationl Center, The Crippled Childrens Society and is listed as a Major Founder for Mt. Sinai Hospital and Jackson Memorial Hospital.

Mrs. Rosenstiel attends to the annual Rosenstiel Award Dinner at Brandeis University, where she presents to the chosen scientists, in the field of basic medical sciences, the Award founded by her late husband. On March 12, 1976 she chaired in New York City the "Tribute to Artur Rubinstein", preceding the artist's last concert for the public.

For her leadership on an international level in the Arts, for her dedication to the propagation and understanding of the culture and history of Poland, for her devotion in carrying the torch of recognition to the world community of scientists, and for her friendship to this College and her students, this Degree is awarded.

HOUSE TAX REFORM BILL AND TAX CUT

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, as the second session of the 94th Congress nears its close, we have only a few weeks left to take final action on major legislative issues still unresolved.

Near the top of the list of bills that must be passed is extension of the temporary tax cut previously adopted. This is included in the tax reform bill passed by the House and Senate in radically differing forms.

Of the two versions, the House bill is far preferable since it closes loopholes and raises revenue, while the Senate bill opens new loopholes and would lose revenue. There have been suggestions that, in view of the defects in the Senate bill and the poor outlook for a decent bill to emerge from the Senate-House conference, the tax reform bill should be scrapped altogether and a new attempt made in the next Congress.

With the economy still shaky after the recent recession, this is no time to let the tax cut expire and cause a reduction in spendable income.

Today's edition of the Miami Herald contains an editorial making the point that the tax cut must be extended. It says in part:

. . . If Senate conferees cannot be persuaded to accept a bill close to the House version, then perhaps the best thing Congress can do is to extend the existing tax law, including last year's cuts, and wait until next year, when new leadership in the Congress and possibly the White House may be able to end the long stalemate.

I call the entire editorial to my colleagues' attention. I strongly believe it merits our consideration for action on tax reform and tax cut:

DESPITE ELECTION PRESSURES, CONGRESS MUST DO ITS DUTY

Congress is back in Washington, very much aware that its performance (or lack thereof) is already a major issue in the presidential campaign between Gerald Ford and Jimmy Carter.

Except for a brief Labor Day recess lawmakers will be in session from now until their scheduled adjournment Oct. 2, by which time those up for reelection hope to be busy campaigning.

The essential problem facing this election year Congress is to accomplish enough for a respectable record without making anybody mad. Unfortunately, certain issues are of the kind which are bound to make some voters angry no matter what Congress does. That is why veteran observers of the Capitol Hill scene will not be surprised if the lawmakers punt and try again later on issues such as abortion, gun control, and the reform of the criminal code.

Other pending issues—the reform of federal regulatory agencies, for example—are of the type that may be put off because, although they are important they don't excite many voters.

On the other hand, food stamp reform and creation of a "consumer protection agency" are widely perceived as issues with some impact on the electorate. Furthermore, there is reason to believe that the Democrats would not be sorry to provoke vetoes on those issues.

Already, Mr. Carter and President Ford have both made an issue of the vetoes. Democrats in Congress may very well wish to give their candidate some additional ammunition in support of his assertion that some of the Ford vetoes have "contributed to needless human suffering."

But apart from all the maneuvering for partisan political advantage in the congressional and presidential races, Congress has a duty to perform. Some issues will not go away. Some can not be postponed.

The tax bill is a prime example. This was supposed to be the year for passage of long-overdue reforms in the federal tax structure. Instead of tax reform, however, the Senate and House have come up with bills quite different from each other and from the ideal of reform.

Some tax legislation will have to be passed this fall. The tax accountants can't wait until next year some time to find out what next year's tax schedules are going to be like.

If Congress does act on tax reform, the House version is clearly superior to the Senate's cornucopia of loopholes and tax breaks for special interests. Moreover, it is estimated that the Senate version could cost the Treasury as much as $17 billion annually in lost revenue while the House version, though extending last year's tax cuts, would actually raise more revenue by closing loopholes.

But if Senate conferees cannot be persuaded to accept a bill close to the House version, then perhaps the best thing Congress can do is to extend the existing tax law, including last year's cuts, and wait until next year, when new leadership in the Congress and possibly in the White House may be able to end the long stalemate.

EXECUTIVE CHALLENGE FOR WOMEN

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on August 8 of this year Jayne B. Spain, senior vice president of public affairs at Gulf Oil Corp., gave a truly inspiring speech in Miami Beach, Fla. In her address to the Hemispheric Conference for Women '76, Ms. Spain pointed out the special problems women face in achieving job equality, and offered sound advice to help women develop self-confidence and succeed in their field, whatever it may be. Her thoughtful speech should be of interest to us all and I request permission to include it in the RECORD at this time:

EXECUTIVE DECISION-MAKING A CHALLENGE FOR WOMEN

(An address by Jayne Baker Spain, senior vice president for public affairs, Gulf Oil Corp., before the Hemispheric Conference for Women '76, Miami Beach, Fla., August 8, 1976)

"One afternoon, walking through a poor street in Temuco, I saw a quite ordinary woman sitting in the doorway of her hut. She was approaching childbirth, and her face was heavy with pain. A man came by and flung at her an ugly phrase that made her blush. At that moment I felt toward her all the solidarity of our sex, the infinite pity of one woman for another, and I passed on thinking, 'One of us must proclaim (since men have not done so) the sacredness of this painful, yet divine condition. If the mission of art is to beautify all in an immensity of pity, why have we not, in the eyes of the impure, purified this?' So I wrote these poems with an almost religious meaning."

The lines that I have just quoted, as I am sure many of you recognize, are those of the Chilean poet and Nobel Laureate, Gabriela Mistral. I can think of no more appropriate note on which to begin my remarks than by recalling those eloquent words of this distinguished woman of the Americas, and her plea for unity in womanhood.

It is in that spirit that I say to you how deeply honored I am to have been asked to participate with you in this Hemispheric Conference for Women. Its objectives are unquestionable: to explore the mutual development of women's goals; assess the dynamics of social change; and research and develop programs for future action that will improve the status of women throughout

the Americas. To be sure, there are significant differences in the status of women from country to country, as was recognized by the World Conference in Mexico City last year. Nevertheless, meetings such as this will do much to unite all women of the Americas in our mutual quest for equality—equality in dignity, in the law, and in opportunity.

One of the hurdles in achieving that goal is subtly reflected in the very title of the talk that I have been asked to give here today: "Executive Decision-Making—A Challenge For Women."

Believe me, after having spent many years in executive posts in industry and government, I can attest to the fact that executive decision-making is a challenge for anyone—regardless of sex.

Still, I must concede that the realities of the world are such that making and implementing executive decisions do present a special problem for women. The myth of female physical inferiority has begat the myth of female intellectual inferiority—which has in turn begat the myth that women cannot make up their minds—that is, can't make decisions. All of us—male and female alike—have been influenced by thousands of years of brainwashing that has assigned arbitrary roles to each gender.

From as far back as the dim dawn of primitive prehistory, both male and female have been subjected to generations of conditioning about the roles each is expected to play. Virtually all of our institutions—from the family through government and business, and, yes, even the church, as anyone familiar with the epistles of St. Paul can confirm—have conspired, often unknowingly, to relegate both men and women into preconceived patterns. And pity the poor women who departed from the role that society prescribed for them. I need only mention Jean D'Arc, and her trip to the stake, and Hester Prynne's ordeal in Nathaniel Hawthorne's "The Scarlet Letter."

Granted, some women have been able to rise above their environment with relative impunity, but their very notoriety is silent testimony to the "place" in which women were supposed to keep themselves. I am thinking here of women such as Gabriela Mistral, who not only was an internationally acclaimed poet and humanitarian, but also rose to important educational and diplomatic posts in various parts of the world. She dedicated an entire group of her poems to trying to correct some of the misunderstandings that have traditionally separated men and women.

Thus, what we are faced with is not really a woman's problem or a man's problem, but society's problem.

Nevertheless, the very fact that such a distinguished group of participants has come to this conference, reflects the historical significance of the conscience-raising that is taking place. In the early history of the U.S.A., when our nation was largely agricultural and rural, women played a far more important role in the economy. Anyone familiar with the American Indian knows, for instance, that in many tribes it was the women who not only kept the tepee fires burning, but also did the hard, physical labor in the village, while the braves were out hunting and fishing.

Later in the development of the United States, the pioneer women, in addition to childbearing, caring for the family, sewing, weaving, cooking, preserving food, and a myriad of other things, tilled the fields and helped harvest alongside the men. Later in history, when times were bad on the farm, the men would spend entire seasons away from home earning money in a nearby city while the women would run things at home. Would you say all these women did not make decisions—and important decisions?

Then there are the great contributions made by America's immigrant women of the turn of the last century, who, largely for economic reasons, were frequently not only breadwinners—sewing or taking in washing—but also made the really important family decisions and dominated the entire household. Would you say they were not decision makers?

These participatory roles for women were accompanied by great drudgery that had a simultaneous subjugating effect. It was not until the industrial revolution that women began being freed from the debilitating burdens that chained them to work in the household for so many generations. As Dr. Estelle Ramey, the noted physiologist and feminist of Georgetown University, has said: "What has liberated women most is cheap energy. The cheap energy that helped bring about industrialization has provided the power to reduce the labor to care for house and family, and has, thereby, freed women to use their physical and emotional energies elsewhere."

Cheap natural gas and electricity have made posible such labor-saving devices as the gas and electric stove, hot running water, washing machines, the electric iron, and the refrigerator. Gasoline has provided the housewife with the mobility that she had always lacked. Such luxuries, taken so much for granted today, were unheard-of in the past, and are still not in abundance in many developing countries. The typical women's life was toil from sun-up to sun-down.

Today, ironically, the very technological explosion that has helped liberate women, has been a major factor in their dissatisfaction and separation from one another. Many want to use their time and talents outside the home—some don't.

I hasten to emphasize that I am not downgrading the profession of being a housewife. Certainly one of the most pervasive and destructive rivalries among females is that between the housewife and the career woman. I have heard women say apologetically I am "just" a housewife:

If you are a housewife, and you are fortunate enough economically not to have to work, and you feel fulfilled and content being a housewife, then be glad and proud you're a housewife, and be the best housewife on the block. But don't look down upon the woman who has to work because of economics, or the woman who wants to work because she's trained professionally and/or needs to work outside her home in order to feel fulfilled.

The scarce human resource brainpower mandates the use of capable persons regardless of sex, race, age, religion and no nation can afford to put any of its brainpower on the shelf.

As a businesswoman, I am convinced that overcoming this unconscionable waste of human resources—resources that could be used to make the industry of the Americas more productive, more efficient, and more effective in meeting the needs of humanity—is one of the most important demands confronting all of us, male and female alike.

Attitudes in the U.S.A. are gradually changing. There have been numerous estimates that 9 out of 10 of today's young girls in the U.S.A. will be part of the work force at some point of their lives. Many of them will work full-time for 30 years or more.

But where will they work—and at what levels? That is the question. For there is no doubt today that more women will be knocking at the doors of business and industry. The issue still to be resolved is how these women will be received and what opportunities will they have.

Even today a woman often starts lower and rises more slowly than a professionally comparable man, and she frequently must be better qualified than her male competition to get even that far.

Why? Mainly because of the myths that men—and women too—have believed, attitudes so deeply ingrained that they have successfully barred many women from fulfilling their intellectual and professional potentials. I'm referring to myths such as: "A woman's place is in the home"; that women work only for "pin money"; that a woman cannot combine a business career with a family, although many women do it quite well; that women aren't reliable or emotionally stable; that men and women don't want to work for a woman. The list is long and so are the consequences for working women. As one woman in a middle-management position once said: "I feel like I'm forever the private in an Army where every man is at least a corporal."

There is nothing more difficult to erase than a myth, which is all the more reason why surmounting the myth of female inferiority will demand extraordinary effort. There has, all the same, been progress. This has included representation by women on increasing numbers of U.S. corporate boards of directors. Six years ago when I was elected to the board of Litton Industries, I was the second woman to be elected to a board of a large corporation. Today there's at least one woman on the board of most of the largest American corporations. Gradually more and more companies tried it and liked it—for they discovered that qualified women can make big decisions and can contribute greatly at board level.

But in the day-by-day operations of major companies, women are still fighting an uphill battle. A Business Week survey last year revealed that of 2,500 presidents, key vice presidents, and chairpersons directing the country's major corporations, women held only 15 top management positions. It is estimated that women represent only 15% of entry-level management, 5% of middle management—and 1% of top management.

Robert Townsend, that cheerful iconoclast who parlayed his unorthodox management techniques into a fortune, devoted a special section of his best-selling book, "Up The Organization," to what he termed: "A Guerrilla Guide for Working Women." Townsend advises us to—as he puts it—"Make every decision (from your first job as a receptionist or file clerk on up) in the light of this question: 'How would I do this job if I owned the company?' "

By putting ourselves in the boss's place—by, first and foremost, asking the right questions—we women can be more constructively competitive.

Seen in this light, decision-making harbors no mystery that is part of some special masculine mystique.

There are, for example, countless books on the subject from which women could benefit, even though you might have to ignore some of their sexist references.

Charles Kepner and Benjamin Tregoe list seven steps to effective decision-making, involving setting objectives, weighing alternatives, and necessary follow-through.

Yet, in my mind, the most important decision that every career-oriented female must make—whether she is an executive or not—has to do with what she can do for herself.

First of all—I believe women must decide to stop thinking of themselves as second-best. A woman should aspire to whatever she wants with as much zeal and dedication as her male counterpart. As Eleanor Roosevelt once said: "No one can make you feel inferior without your consent." Even if the woman doesn't make it, she'll undoubtedly be better off and happier with herself than the shrinking violet who simply folds her hands and sits back to accept whatever life decides to dole out to her.

Second, you should decide to pursue specialized training and/or an advanced degree if you don't already have it. One female business graduate working as a consultant has suggested: "Having professional training is an important asset for anyone, and particu-

larly for women. A woman without this advantage faces a more difficult road in the working world. Not only does she have more to learn on her own, but she also faces more intense discrimination because her professional potential has not been formally recognized—and is therefore easier to dispute."

Thirdly, a woman should plot a career path for herself, identifying the essential work experiences that are needed to move up the corporate ladder, and then make it a point to gain experience in those areas. The management skills most often noted as neglected in career development for women include an understanding of financial planning, the preparation of budgets, and general business planning.

Fourth, a woman should not be afraid—or too proud—to draw on the considerable body of resources and strengths already available to her. A majority of successful career women who are married, have indicated that they receive strong emotional support from their husbands. Both married and single professional women cite support from women's organizations and from female co-workers and supervisors.

Women should be supportive of each other. A South American woman once put it well when she said: "The best wedge is one made of the same wood. Men know this, and women ought to recognize it and be supportive of other women."

Finally, women should realize that a good deal of self-confidence on the job can come from just having done it a few times. Another woman consultant, who's been in business for a number of years, says, "My job has helped me at least as much as any other force in my life. No other has been as consistent or as major a force, just by virtue of the amount of time one has to give to it."

It is important to see yourself developing your skills, and to see your portfolio of accomplishments start to accumulate, and to begin to get the kind of feedback that tells you: "That assignment was well done—I got through the whole project and it didn't blow up in my face." As they say, nothing succeeds like success—with others or with yourself.

Part of it, too, is simply the process of assimilation into traditionally male environments. This may be the toughest hurdle of all. We all know what it is like to work with some unreconstructed males in the business and professional worlds. Detecting and defeating sex discrimination on the job has become a refined art. Oh sure, we in the U.S. know the statistics and the legal remedies. But beyond the overt problems, there are the more subtle symptoms—the big buildups and the little put-downs; the roles that we are often still expected to play, of mother or daughter, office wife or temptress, grateful supplicant or "one of the boys." For instance, behavior condemned as compulsive and ugly in a woman is praised as "forceful" in a man. This means, I guess, that in some organization you can scream and bark commands all you want as long as you do so in a deep bass instead of a high soprano.

Still, assimilation into a predominantly male environment is possible. A female financial analyst, for example, says she's been assimilating now for twelve years. "It's getting easier every year," she reports, "not just because I've established some credibility, but because the attitudes of management toward women are slowly changing."

Now that I'm back in industry, I'm often asked whether I am going to be as concerned with equal opportunity for women and minorities in my country, as I was when I was with the government. Of course I am. And I'll be among the first to admit that business has a long way to go to offer equality of job opportunity.

My company, Gulf Oil, for example, had very few women on the scene until 25 years ago. Most file clerks, stenographers, and secretaries were male. Even today, female managers at Gulf are pretty much a conspicuous minority.

Yet, we are making progress at Gulf. Our Equal Opportunity program is only six years old, but, more importantly, we have the commitment from the Chief Executive Officer and the Board that is absolutely vital to any such effort.

We also have an active women's program, counseling, career planning, career ladders, training, upward mobility, etc.

This is a slow process but it is a sure process.

I have argued, and I will continue to argue, that we should never put a woman in a job that she is not qualified to do and do well. We can open the doors of opportunity, we can help provide training, and we can offer counseling services along the way. But when all is said and done, to run a business properly, as well as fairly, we are going to have to hire on the basis of entry-level qualifications, and promote and reward on the basis of consistent quality performance. That means the right person, male or female, minority member or non-minority member, for the right job.

This criterion may mean moving more slowly, but in the long run everyone will be better off—especially women and minority members themselves. Nothing is more destructive to the pursuit of equal opportunity than putting a woman or a minority person in a job for which he or she is not qualified.

Success calls for the same qualities in men and women. Those qualities include, but are not limited to: Intelligence, motivation, an attitude of cooperation, standards of excellence, and, perhaps most of all, hard work. Such characteristics will go a long way toward ensuring quality achievement.

But, of fundamental importance, women must believe that they can do it. Mike McGrady, who wrote the book "The Kitchen Papers—My Life as a Househusband," after exchanging traditional roles with his wife for a year, feels that many women are threatened by the thought of leaving the secure environment of the home and entering the business world. He challenges these women with: "Go ahead. There is a world out here, a whole planet of possibilities. The real danger is that you won't try it. Men have to go out on a limb, too. If Gutenberg had not taken a risk I might be writing these words with a quill pen. If Edison had not ventured, you might be reading them by an oil lamp."

Let me conclude by simply saying this: As women, our most important decision is to decide to believe in ourselves. To believe that we have the ability, the talent, the determination, and the strength to be as effective as any man.

Gabriela Mistral has expressed this need for self-confidence as only a Nobel Laureate could. I should like to close by reading a few verses from her famous poem "Those Who Don't Dance":

A crippled child once said,
"How can I dance?"
We told her that she should
Start her heart to dancing.

Then said the deformed one,
"How can I ever sing?"
We told her that she should
Start her heart to singing. . . .

God asked from above,
"How can I leave the sky?"
We told him to come down
and dance with us in the brightness.

All in the valley are dancing
Together beneath the sun,
May the heart of whoever is missing
Turn to dust and ashes.

When "All in the valley are dancing," when we begin to see sizeable numbers of females reviewing equality of satisfaction for equality of career performance, then jobs will become jobs rather than "Men's jobs" or Women's jobs."

If equal rights mean anything, it is simply the right of each individual, male or female, to choose his or her vocation and to fail or succeed.

Success will then become sexless, and all of society will be the beneficiary.

THE INTER-AMERICAN FOUNDATION: A BETTER WAY OF DOING THINGS

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, almost 7 years ago the Inter-American Foundation was established by Congress to provide an innovative approach to the problem of social and economic development in Latin America and the Caribbean as an alternative to the traditional bilateral and multilateral programs in which the United States has participated.

The Foundation conducts its programs through grants to indigenous private organizations in Western Hemisphere countries. Grants are made under guidelines established by the Board of Directors, whose members are appointed by the President subject to Senate confirmation.

Since the Foundation began operations it has obligated almost $48 million for 413 separate projects; $24 million came directly from congressionally appropriated funds and was used to finance 298 projects. Another $24 million was obligated from funds received from the social progress trust fund under an agreement with the Inter-American Development Bank and has been used to finance 115 projects.

Mr. Speaker, the August 18, 1976, issue of "The Times of the Americas," contained an excellent summary of the work of the Inter-American Foundation by a distinguished commentator on hemisphere affairs, Mr. Winthrop P. Carty. I want to take this opportunity to bring to the attention of Congress Mr. Carty's analysis of the Foundation's activities.

A CASE STUDY OF A "DECISION TO EXPERIMENT"

(By Winthrop P. Carty)

WASHINGTON.—The Inter-American Foundation, a bold experiment in U.S. foreign assistance, faces a critical period of re-examination.

The five-year-old avant-garde agency channels public money to private Hemisphere organizations for self-help projects on a no-strings basis. The IAF has expanded $55 million so far for projects considered out of the mainstream of the traditional aid program but now the whole operation will be tested on a variety of fronts:

A majority of the positions on the board are coming up for the Administration's selection and the Senate's ratification over the next couple of months. Some members will probably be renominated but it remains to be seen whether a newly constituted board will be as supportive as the present one;

If Jimmy Carter is elected as expected, the new administration will be sorely tempted to throw the IAS into the AID pot to make good the candidate's pledge to consolidate the sprawling Washington bureaucracy;

The agency must go to congress next session to replenish funds or peter out before decade's end.

A growing number of congressmen are interested in an IAF style program for Africa and the present foundation may be enlarged to become an umbrella for a multi-continental operation.

The IAF has received remarkably little public attention. In part the situation stems from a policy "to neither seek nor avoid publicity" and let the recipients announce the grants in their own way.

But another problem to public understanding is the sheer inability to categorize the hybrid agency. Among other anomalies, it is an administrative lending agency mandated by Congress to be free of the bureaucracy, and a predominantly private board dispenses public monies.

The IAF is best understood as a congressional reaction against the mounting *deficiencies of* the foreign aid program. In brief, the aid operation was perceived as wrapped in red tape, completely politicized, and remote from the impulses of both the average U.S. taxpayer and the Latin American needy.

More specifically, Congress was deeply concerned by the failure of the Alliance for Progress, and the role that aid was thought to play in the Vietnam tragedy. In both cases, many observers contended, AID mindlessly poured more and more men and money into programs to justify yesterday's bureaucratic and financial investment.

"After a process of elimination," says Rep. Dante Fascell, "something like the IAF became obvious. For 25 years we had operated on the theory that economic stability was needed for political stability, but the classical approach simply didn't work. We haven't reached the marginal people. In the agrarian sector, for example, we tried everything in Latin America—transfer of technology, farm-to-market roads, support of land reform and so on—but it was all just a dribble in the ocean.

"We decided to experiment, take nothing for granted. The IAF, problems notwithstanding, has done a fantastic job of implementing our intention. It has proven its worth to the most critical congressional examination."

Fascell, it should be noted, is the man most responsible for the creation of the innovative lending agency and its mentor in Congress. The Florida Democrat, however, is a pragmatist whose Miami constituency demands a tough-minded approach to Latin American matters.

The IAF was legislated by Congress in 1969, with a pervasive preoccupation with the errors, real or imagined, of the old way. To prevent a bureaucratic and financial overcommitment, the foundation maintains no staff abroad, recipients seldom are funded longer than a three-year period.

All financing is in the form of grants. And to avoid mixing international realpolitiks with social development, the grants are only made to non-official groups for self-help projects they have fashioned for themselves. Rather than getting into the business of nation-building, the IAF stresses manageable projects averaging $100,000 within a spectrum of $400 to $1.5 million.

And staff does handsprings to maintain conspicuous honesty about the operation. In contrast to the machinations of the Johnson and Nixon administrations, Congress' child has no secrets. Only the personnel files are under lock and key, and one can walk off the street to find out what's up.

The 70-man staff is constantly going through intellectual calisthenics—dialogues, challenges, self-examinations, etc.—to preserve team integrity. Many outsiders deride the exercise as "navel-gazing" and posturing but the fact remains that an honest question receives an honest answer at IAF headquarters.

Predictably, the staff is highly motivated and idealistic. The foundation president, William Dyals, is an ordained minister, and many staff members are drawn from the church, Peace Corps, foundations and the like. "We have no trouble with the truth," Dyals says matter-of-factly.

The 7-man board of unpaid directors is composed of four men from the private sector and three selections from the government. From the outset the board has been dominated by moderate Republicans like Augustin S. Hart of Quaker Oats, Charles A. Meyer of Sears and Roebuck and George C. Lodge of the Harvard Business School. The Republicans serve as a good foil for the reform-minded IAF staffers: the informed moderates are aware of the problems without presuming to have all the answers. A board of certified liberals, vice-president Csanad Toth points out, would be more inclined to impose its particular solutions to developmental issues without letting the IAF staff chart its own course.

Buttressed by a congressional demand to develop innovative techniques, a board willing to listen and a powerful shepherd on Capitol Hill (Dante Fascell), the IAF, since it began in April 1971, has had sweeping latitude. "I am surprised what the government lets us do," says Dyal frankly. Three grants make the point:

The Educational Broadcasting Corporation was given $76,000 to subsidize a one-hour show illustrating Caribbean social problems for the TV series called "Bill Moyers' Foreign Report." The TV program was for public TV and outages were used for Caribbean training films, but ordinarily the Congress would raise hob about public funds being spent on a foreign project which might influence domestic opinion:

A left activist, Rev. Phillip Wheaton, was paid to study consciousness-raising among U.S. marginals. During the heyday of "law and order," about the best the Wheatons of this world could expect from the U.S. government was a dirty trick;

A grant of $83,000 was made in Costa Rica "to develop a weekly newspaper supplement written for campesinos and delivered to them in rural areas." The Costa Rican government and some North American critics found the newspaper's editorial policy hostile and sharply challenged the introduction of U.S. public money into a local editorial operation.

The above examples, I hasten to add, illustrate the IAF's freedom to make mistakes, not its usual routine. Most of its grants go to a wide variety of Hemisphere groups and are safe bets. If a community has the yeast to band together and apply for a grant, it generally knows its goals and how, with a little help, to reach them.

The traditional bottleneck has been the international lending agencies bureaucratic inability to identify plausible social projects and then cut through the red tape to reach them.

Most any commercial banker will readily admit that small cooperatives faithfully repay their debts but that administering small loans on a wide scale represents impossible paperwork. The AID bureaucracy is far more burdened with an overwhelming checklist of needed approvals and specifications, largely applied by Congress. The IAF makes a definitive decision on a grant request within two or three months.

Does the IAF really fully justify itself? Not yet, but it certainly could. First and foremost the operation reassures the U.S. taxpayer and the average Latin American man that international assistance can be effective, dignified, and altruistic. Most Americans throughout the Hemisphere go along with the joke that foreign aid is what the poor people in rich countries give to rich people in poor countries.

The growing number of grant requests attest to the fact that the word is getting around Latin America that there is a Washington agency with no political ax to grind which lends directly to little people for social self-improvement.

The IAF has been less able to demonstrate its ability to transfer its experimental findings to the public and to other lending agencies. There are some examples of ideas proved out by the IAF and subsequently picked up in a larger way by the multinational lending banks but little impression has been made on U.S. administrators.

"We haven't delivered our experience to the market place of ideas," admits Toth. Like any Congressman, says Dante Fascell, "I always want 'more results.'"

Envious AID officials contend the young IAF staffers live in an unreal world and that the experimental agency has produced nothing which could be applied on a wide scale. In my opinion the IAF has amply demonstrated that the whole U.S. lending program could be modified to incorporate much of the fresh approach which has been acclaimed by Congress and Latin Americans.

Furthermore, some of the IAF personnel could be offered positions of leadership in the next administration. Some of the bright young idealists have been called too cocksure. "Sometimes we are arrogant," states Toth, "and it is a sign of immaturity." But the IAF is not rife with cynicism, the terminal disease of the AID bureaucracy.

In the coming months the experimental agency will be challenged by a critical reappraisal. Now the IAF must do what it expects of its grantees: strive in its community to make come true its special dream of a better way of doing things.

ESTATE TAX REFORM

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, when H.R. 14844, the Estate and Gift Tax Reform Act of 1976, comes before the House next week, I will offer an amendment to delete the "$1 million, one generation-skip" exception to the provision imposing a tax on generation-skipping trusts.

The question of generation-skipping trusts is one of the most complex in the Estate Tax Code. I realize that some of my colleagues who have not had the opportunity to sit through the weeks of hearings and markup on the bill may find the question somewhat baffling. For this reason, I am inserting the testimony of Prof. A. James Casner, professor of law at Harvard University, who presented to the Ways and Means Committee the most concise and understandable explanation of generation-skipping transfers that I have come across.

I strongly urge my colleagues to read Professor Casner's testimony before casting their vote on my generation-skipping amendment.

[A panel consisting of A. James Casner, Professor, A.L.I. reporter on estate and gift tax provisions, Harvard University, Cambridge, Mass.; Edward C. Halbach, Jr., Chairman, American Bar Association, Committee on Estate and Gift Taxes, Professor of Law School, University of California, Berkeley; Dr. Gerald R. Jantscher, Research Associate, Economic Studies Program, Brookings Institution, Washington, D.C.; and James Lewis, Paul Weiss, Rifkind, Wharton & Garrison, New York City]

STATEMENT OF PROF. A. JAMES CASNER

Mr. CASNER. Thank you very much, Mr. Chairman.

I am here in the capacity of the reporter for the American Law Institute project on estate and gift taxation. You will find in your printed booklet the material of the law institute. It begins on page 311.

This is a project that was carried out over a period of about 4 or 5 years, and the institute finally approved some 45 or 46 recommendations for changes in the estate and gift tax area. Among those recommendations was a change in relation to what we call generation skipping transactions, and also in regard to the marital deduction, and also in regard to unification.

The four of us on the panel this afternoon have divided this subject matter into separate parts, and we would like to present to you each of these parts, and open them up for any discussion you may want to have.

I am going to talk to you about generation skipping transactions. Mr. Halbach, on my left, will talk to you about the 100-percent marital deduction. Mr. Lewis will talk to you about unification, and Mr. Jantscher will talk to you about some of the economic effects of the adoption of these recommendations if they should be carried out.

The CHAIRMAN. Indeed, you are well organized and we appreciate it.

Mr. CASNER. Fine.

The CHAIRMAN. You may proceed.

Mr. CASNER. On the generation skipping transactions, if you will permit me it, since I am a teacher and cannot work without a blackboard, if you will permit me to go to the blackboard I would like to do that and tell you what is on my mind with regard to generation skipping.

I think it is important if we talk about generation skipping that you have a picture of what can be done in this regard under the present law. I would like to take you through a possible discussion that I might have with a client who comes in to see me and wants to pass on a rather substantial amount of his property to his son. His idea when he comes in might very well be that he wants to give the property outright to his son. I point out to him, of course, that if he does that he is going to subject his son to gift taxes, in moving it on to his own children. He is going to subject his son to estate taxes, as he moves that property on on his death and that he ought to consider setting this arrangement up for his son in a way that would avoid future estate and gift taxes in relation to the son handling the property.

He says, of course, well, that interests me. What do you have in mind? And I would tell him, well, he as the owner of the property can transfer the property to a trustee, and under the terms of the trust he can give the income to his son for life, and then on his son's death the property can go in accordance with the terms of the trust to the son's issue.

If he does that, then the son has the use and enjoyment of this property as long as he lives, that is the income from it, and then on his death it moves on to his issue without another tax. And he says, well, that is, of course, quite different from giving the property outright to my son, because he does not have access to the principal, he can't control where the corpus of the property goes, serious restraints will operate on him if we set the trust up in that form.

And I say, well, that is true, but what is it you would particularly like for him to have in addition to this life interest. And he says, well, at least I would like to have him be able to determine how it will go among his own family when he dies. And I say, if that is what you want, we will simply add to this trust arrangement a power in your son to appoint by will this property to anyone in the world except himself, his creditors, his estate, and creditors of his estate, and I don't see why he would want to appoint it anyway to his estate or creditors.

So he can appoint it to anyone he wants to, and he will have the same liberty of choice as to where the property will go on his death as he would have if he owned it outright.

And he says, you mean I can add on that power and still it will go on to the people to whom he may appoint it in his will, without another estate tax? The answer is yes, he can have that degree of dominion over the destination of the property when he dies, and no estate tax will be imposed at all.

In fact, when he appoints the property by his will, he can appoint it to the son's son, we will call him SS, for life, and then he can give that son the power to appoint it on his death by will to anyone but himself, his estate, his creditors or creditors of his estate, and we can keep on doing this for how long? Well, we can keep on doing this for what is the rule against perpetuities, which is 21 years after lives in being, and if you select 21 healthy babies from families with family longevity, and continue the trust until 21 years after they die, you can pretty well keep this up for over 100 years and no estate tax as they enjoy the trust for life and the power to move it on by will. The law says that is permissible.

But what about during the time the son is alive, he might want to give some of this property to his family, and here you have only arranged for it to go by will. Well, if that is what you are interested in, we will give the son another power, a power to appoint by deed during his lifetime to anyone but himself, his estate, his creditors, or creditors of his estate. He can then exercise that power during his lifetime to appoint to any members of the family, and no gift tax will be imposed.

You mean he can have the power to appoint by will to all these people, the power to appoint it by deed, and no gift tax? That is correct, under our present law, we can keep this property going on and on and on, making gifts within the family, making disposition by will, and no gift tax and no estate tax until we run up against the rule against perpetuities and there are two States which don't even have a rule against perpetuities and this can be done perpetually in those States.

Then he says, that is all right, that takes care of the family for some time outside of the gift and estate tax area, but during the lifetime of the son he might need some property.

Well, if that is what you want, we will give your son another power, a power to withdraw, annually, from the trust property $5,000 or 5 percent, whichever is greater. If he does not excerise the power of withdrawal, and the power lapses, that will mean that the property will stay in the trust and go on and on without any estate or gift taxes.

Of course, if he draws the property down to himself, then he will have it. But if he is going to draw down, it is probably because he is going to spend it, but as long as he leaves it there, and this power lapses every year and renews itself every year, there is no gift or estate tax as a consequence of the lapse of the power.

But he says, well, that is somewhat limited because that is limited to $5,000 or 5 percent, whichever is greater, and that is true. But we have another provision we can write in, we can give power to the son to withdraw any amount as long as the power is limited by standards measured by health and education, and so forth. So if he has doctor bills he can withdraw the amount to pay the doctor bill and the existence of that power will not cause the property to be taxable on his death and the power lapses because of the special provision that exists.

He says, well, that is fine, and now the son can do anything he wants by will; he can give it away without gift tax, he can draw it down if he needs it to pay certain medical bills, he can draw it down up to $5,000 or 5 percent and this won't cause him to be treated as the owner for estate and gift taxes? Yes, that is the situation as we now have it, and then we can keep this going on, you see, by everybody who has a power in his generation carrying out this same sort of arrangement.

Then he says, well, that is fine, but there is one thing that isn't here yet that he would have if he owned it, he could manage the property. Well, if that is what you are worrying about, we will make him the trustee of the trust, to manage the property.

Now, what kind of a nut would give property outright to anybody when you have a situation of this sort where you can go on and on?

In fact, we haven't got an estate tax, what we have, you pay an estate tax if you want to; if you don't want to, you don't have to.

It is a question of selection, because of the ability through these arrangements to keep the property, once you have set up the arrangement, to keep it out of taxation for 100 to 150 years.

Now, they say people don't do this, that they aren't doing this. Well, I don't know whether they are doing it, but clients of mine are getting the benefits of these arrangements.

As long as you leave the estate and gift tax in this way, they are going to set up trusts that will take advantage of this, and this is not illegal.

Mr. LEWIS. Jim, you don't have a monopoly on that.

Mr. CASNER. No. I think you do this once in a while; there are a few other people that know about this. I mean it is not a secret any more, that this can be done.

So when we say generation skipping, that is what we call this, we are setting up arrangements that avoid taxes for several generations.

We cannot say that sort of thing is not significant to consider and to face up to in the estate and gift tax area, it seems to me that until you face up to this you haven't got an estate and gift tax that really is a very significant factor.

Now, I will let one of my colleagues carry on from here. They can't talk as loud, and they can't use a blackboard, but they can go on.

Mr. LEWIS. You filled it up.

The CHAIRMAN. Very excellent, Professor Casner.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BUTLER) to revise and extend their remarks and include extraneous material:)

Mr. MILLER of Ohio, for 10 minutes, today.

Mr. KEMP, for 25 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

(The following Members (at the request of Mrs. SPELLMAN), to revise and extend their remarks, and to include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. BROOKS, for 10 minutes, today.

Mr. KOCH, for 10 minutes, today.

Mr. MATSUNAGA, for 5 minutes today.

Mr. FRASER, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.
Mrs. COLLINS of Illinois, for 5 minutes, today.
Mr. DINGELL, for 30 minutes, today.
Mr. HARRINGTON, for 5 minutes, today.
Mr. BONKER, for 5 minutes, today.
Mr. DOMINICK V. DANIELS, for 5 minutes, today.
Mr. LAFALCE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FASCELL to revise and extend his remarks in two instances and include extraneous matter.

Mr. BINGHAM and Mr. GIBBONS to revise and extend their remarks just prior to the vote on the Rangel amendment.

(The following Members (at the request of Mr. BUTLER) and to include extraneous material:)

Mr. KEMP in four instances.
Mr. BUTLER.
Mr. CONTE in two instances.
Mr. STEIGER of Wisconsin.
Mr. PAUL.
Mr. DERWINSKI in two instances.
Mr. SYMMS.
Mr. PRESSLER.
Mr. FRENZEL in three instances.
Mr. WYDLER.
Mr. BEARD of Tennessee.
Mr. HEINZ.
Mr. HILLIS.
Mr. CRANE.
Mrs. FENWICK.
Mr. LENT.
Mr. MCCLORY.

(The following Members (at the request of Mrs. SPELLMAN) and to include extraneous matter:)

Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. YOUNG of Georgia.
Mr. GIBBONS in two instances.
Mr. YATRON.
Mr. BOLLING.
Mr. LLOYD of California.
Mr. DINGELL.
Mr. FRASER in five instances.
Mr. ROE in two instances.
Mr. MCFALL.
Mr. ROGERS in five instances.
Mr. WAXMAN.
Mr. ROSENTHAL.
Mr. GAYDOS.
Mr. DE LUGO.
Mr. JOHN L. BURTON.
Mr. RANGEL.
Mr. OBERSTAR.
Mr. O'HARA in two instances.
Mr. WIRTH.
Mr. GINN.
Mr. BLANCHARD.
Mr. EDGAR.
Mr. DELANEY.
Mr. ZABLOCKI in two instances.
Mr. MCDONALD.
Mr. HARRINGTON.
Mr. NEAL.
Mr. MCKAY.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 400. An act to direct the Secretary of the Interior to conduct a one-year feasibility/suitability study of the Frederick Law Olmstead Home and Office as a national historic site; to the Committee on Interior and Insular Affairs.

S. 3146. An act for the relief of Leo J. Conway; to the Committee on the Judiciary.

S. 3394. An act to authorize the Secretary of the Interior to undertake the investigations, construction, and maintenance necessary to rehabilitate the Leadville Mine Drainage Tunnel, Colorado, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 3419. An act to direct the Secretary of the Interior to conduct a one-year feasibility/suitability study of a National Museum of Afro-American History and Culture at or near Wilberforce, Ohio; to the Committee on Interior and Insular Affairs.

S. 3734. An act to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3650. An act to clarify the application of section 8344 of title 5, United States Code, relating to civil service annuities and pay upon reemployment, and for other purposes.

H.R. 10370. An act to amend the Act of January 3, 1975, establishing the Canaveral National Seashore;

H.R. 11009. An act to provide for an independent audit of the financial condition of the government of the District of Columbia;

H.R. 12261. An act to extend the period during which the Council of the District of Columbia is prohibited from revising the criminal laws of the District;

H.R. 12455. An act to amend title XX of the Social Security Act so as to permit greater latitude by the States in establishing criteria respecting eligibility for social services, to facilitate and encourage the implementation by States of child day care services programs conducted pursuant to such title, to promote the employment of welfare recipients in the provision of child day care services, and for other purposes; and

H.R. 13679. An act to provide assistance to the Government of Guam, to guarantee certain obligations of the Guam Power Authority, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3542. An act to authorize the Secretary of the Interior to make compensation for damages arising out of the failure of the Teton Dam a feature of the Teton Basin Federal reclamation project in Idaho, and for other purposes.

ADJOURNMENT

Mrs. SPELLMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 23 minutes p.m.), under its previous order, the House adjourned until Monday, August 30, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3872. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1977 and the transition quarter for procurement of aircraft, naval vessels, torpedoes and other weapons and research, development, test and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

3873. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 651 of title 10, United States Code, to provide that female persons who become members of the Armed Forces shall have a 6-year statutory obligation and for other purposes; to the Committee on Armed Services.

3874. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting a supplemental report on defense-related employment of present and former Department of Defense personnel, pursuant to section 410(d) of Public Law 91-121; to the Committee on Armed Services.

3875. A letter from the Comptroller, Defense Security Assistance Agency, transmitting quarterly reports on foreign military sales direct credit and guaranty agreements, pursuant to subsections 36(a)(3) and (4) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

3876. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on locks and dam No. 26, Mississippi River, Alton, Ill. (H. Doc. No. 94–584); to the Committee on Public Works and Transportation and ordered to be printed with illustrations.

3877. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a report covering the quarter ended June 30, 1976, on grants approved by the Secretary for experimental, pilot, demonstration, or other projects all or any part of which are wholly financed with Federal funds under the Social Security Act, pursuant to section 1120(b) of the act [42 U.S.C. 1320(b)]; jointly, to the Committes on Interstate and Foreign Commerce, and Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

3878. A letter from the Comptroller General of the United States, transmitting a report on the management of a nuclear light water reactor safety project by the Nuclear Regulatory Commission and the Energy Research and Development Administration; jointly, to the Committee on Government Operations and the Joint Committee on Atomic Energy.

3879. A letter from the Comptroller General of the United States, transmitting a report on problems encountered by the Federal Aviation Administration in managing a prototype long-range radar system contract; jointly, to the Committee on Government Operations, and Public Works and Transportation.

3880. A letter from the Comptroller General of the United States, transmitting a report on the Department of Transportation's administration of laws pertaining to bridges across navigable waters; jointly, to the Committees on Government Operations, Merchant Marine and Fisheries, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee of conference. Conference report on S. 5 (Rept. No. 94–1441). Ordered to be printed.

Mr. MEEDS: Committee of conference. Conference report on S. 217 (Rept. No. 94–1439). Ordered to be printed.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. STRATTON: Committee on Armed Services. H.R. 14772. A bill to amend section 313 of title 37, United States Code, to pay variable incentive pay to medical officers who participated in the Berry plan, and for other purposes; with an amendment; referred to the Committee on Appropriations for a period not to exceed 15 legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93–344 (Rept. No. 94–1438, pt. I).

Mr. TEAGUE: Committee on Science and Technology. S. 1174. An act to reduce the hazards of earthquakes, and for other purposes; with an amendment; referred to the Committee on Interior and Insular Affairs for a period ending not later than September 8, 1976, for consideration of such provisions of the bill as fall within the jurisdiction of that committee under rule X, clause 1(j), and ordered to be printed (Rept. No. 94–1440, pt. I).

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 15280. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H.R. 15281. A bill to amend the Federal Aviation Act of 1958, as amended, to broaden the power of the Civil Aeronautics Board to grant relief by exemption in certain cases, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. DENT:

H.R. 15282. A bill to provide for the establishment of the George W. Norris Home National Historic Site in the State of Nebraska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HAMMERSCHMIDT:

H.R. 15283. A bill to amend the Older Americans Act of 1965 to require the Commissioner on Aging to establish a special supplemental food program and medical examination and referral program for older Americans, and for other purposes; to the Committee on Education and Labor.

By Mr. LLOYD of California:

H.R. 15284. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NIX:

H.R. 15285. A bill to establish the National Diabetes Advisory Board and to take other actions to insure the implementation of the long-range plan to combat diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. OTTINGER:

H.R. 15286. A bill to amend the Immigration and Nationality Act to permit adoption of more than two alien children under certain conditions; to the Committee on the Judiciary.

By Mr. PRESSLER:

H.R. 15287. A bill to amend the act entitled "An Act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", approved April 16, 1934 (48 Stat. 596; 25 U.S.C. 452 et seq.); to the Committee on Education and Labor.

H.R. 15288. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Mr. VIGORITO (for himself, Mr. BADILLO, Mr. BAUCUS, Mr. BYRON, Mr. MOTTL, Mr. NIX, Mr. PATTERSON of California, Mr. RODINO, and Mr. ROE):

H.R. 15289. A bill to treat the African elephant as an endangered species; to the Committee on Merchant Marine and Fisheries.

By Mr. YATRON:

H.R. 15290. A bill to authorize the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Currency and Housing.

H.R. 15291. A bill to amend the Internal Revenue Code of 1954 to encourage businesses to purchase surplus school or hospital buildings from governmental and nonprofit entities by providing rapid amortization for such buildings; to the Committee on Ways and Means.

Mr. BEARD of Tennessee:

H.R. 15292. A bill to direct the Foreign Agricultural Service of the Department of Agriculture to study the effects of palm oil imports upon domestic processors of vegetable oils and to study methods of regulating the importation of palm oils in order to provide additional protection to domestic producers of agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. BONKER:

H.R. 15293. A bill providing for the construction of a flood control project on the Chehalis River, Wash.; to the Committee on Public Works and Transportation.

H.R. 15294. A bill to modify the project for navigation improvement of the Grays Harbor and Chehalis River and Hoquiam River, Wash.; to the Committee on Public Works and Transportation.

By Mr. HARRINGTON:

H.R. 15295. A bill to provide for the termination of any loan guarantee made under the Emergency Loan Guarantee Act; to the Committee on Banking, Currency and Housing.

By Mr. KELLY:

H.R. 15296. A bill to amend the Federal Noxious Weed Act of 1974 for the purpose of making such act apply to the water weeds hydrilla and hyacinth; to the Committee on Agriculture.

H.R. 15297. A bill to amend section 102 of the act of September 21, 1944, for the purpose of making such section apply to the water weeds hydrilla and hyacinth; to the Committee on Agriculture.

H.R. 15298. A bill to amend section 104 of the River and Harbor Act of 1958 for the purpose of making such section apply to the water weed hydrilla; to the Committee on Public Works and Transportation.

By Mr. LAFALCE:

H.R. 15299. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for property improvements designed to prevent shoreline erosion caused by high water levels in the Great Lakes; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 15300. A bill to authorize Federal payment, from sums appropriated for supplemental security income benefits under title XVI of the Social Security Act, of the cost of returning certain recipients of such benefits to their homelands; to the Committee on Ways and Means.

H.R. 15301. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; to the Committee on Ways and Means.

By Mr. MILFORD (for himself, Mr. HAMMERSCHMIDT, Mr. GINN, Mrs. LLOYD of Tennessee, Mr. RONCALIO, Mr. HOWE, Mr. TAYLOR of Missouri, Mr. HENDERSON, Mr. BEARD of Tennessee, Mr. FORD of Tennessee, and Mr. KEMP):

H.R. 15302. A bill to amend the Federal Aviation Act of 1958, as amended, to broaden the power of the Civil Aeronautics Board to grant relief by exemption in certain cases, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MURPHY of New York:

H.R. 15303. A bill to amend the Communications Act of 1934 to authorize the Federal Communications Commission to regulate terminal equipment and to direct the Commission to conduct a study on the costing of satellite common carrier communication services and a report on data common carrier competition; to the Committee on Interstate and Foreign Commerce.

By Mr. RUPPE:

H.R. 15304. A bill to expedite a decision on the delivery of Alaska natural gas to U.S. markets, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. WHITTEN:

H.R. 15305. A bill to authorize construction of the project for Nonconnah Creek, Tenn. and Miss., and Horn Lake Creek, and tributaries, including Cowpen Creek, Tenn. and Miss.; to the Committee on Public Works and Transportation.

By Mr. CARNEY (for himself, Mr. POAGE, Mr. SPENCE, Mr. MANN, Mr. JENRETTE, Mr. ABDNOR, Mr. DUNCAN of Tennessee, Mr. ALLEN, Mr. FORD of Tennessee, Mr. ECKHARDT, Mr. PICKLE, Mr. WRIGHT, Mr. MAHON, Mr. KRUEGER, Mr. DOWNING of Virginia, Mr. SATTERFIELD, Mr. ROBINSON, Mr. YOUNG of Texas, Miss JORDAN, Mr. PAUL, Mr. WHITEHURST, Mr. BUTLER, Mr. FISHER, Mr. MOLLOHAN, and Mr. SLACK):

H.J. Res. 1063. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. MAZZOLI, Mrs. BOGGS, Mr. TREEN, Mr. WAGGONNER, Mr. BRECKINRIDGE, Mr. MOORE, Mr. BREAUX, Mr. LONG of Louisiana, Mr. BAUMAN, Mr. LONG of Maryland, Mr. SARBANES, Mr. BOLAND, Mr. EARLY, Mr. DRINAN, Mr. HARRINGTON, Mr. COHEN, Mrs. SPELLMAN, Mr. BYRON, Mr. MITCHELL of Maryland, Mr. GUDE, Mr. O'NEILL, Mr. MOAKLEY, Mrs. HECKLER of Massachusetts, and Mr. BURKE of Massachusetts):

H.J. Res. 1064. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. NICHOLS, Mr. BEVILL, Mr. RHODES, Mr. UDALL, Mr. ALEXANDER, Mr. MILLS, Mr. JOHNSON of California, Mr. JOHN L. BURTON, Mr. PHILLIP

BURTON, Mr. MILLER of California, Mr. DELLUMS, Mr. STARK, Mr. EDWARDS of California, Mr. RYAN, Mr. MINETA, Mr. MCFALL, Mr. KREBS, Mr. CORMAN, Mr. ROYBAL, Mr. HAWKINS, Mr. DANIELSON, Mr. CHARLES H. WILSON of California, Mr. ANDERSON of California, and Mr. DEL CLAWSON):

H.J. Res. 1065. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. YOUNG of Georgia, Mr. MATSUNAGA, Mr. PEPPER, Mr. FLYNT, Mr. STUCKEY, Mr. STEPHENS, Mr. PRICE, Mr. MADDEN, Mr. FITHIAN, Mr. BRADEMAS, Mr. ROUSH, Mr. MEZVINSKY, Mr. GRASSLEY, Mr. SIMON, Mr. MYERS of Indiana, Mr. HAYES of Indiana, Mr. SHARP, Mr. SMITH of Iowa, Mr. HARKIN, Mr. BEDELL, Mrs. KEYS, Mr. WINN, Mr. HUBBARD, and Mr. NATCHER):

H.J. Res. 1066. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. LLOYD of California, Mrs. PETTIS, Mr. COTTER, Mr. DODD, Mr. SIKES, Mr. CHAPPELL, Mr. JOHNSON of Colorado, Mr. SARASIN, Mr. MOFFETT, Mr. GIBBONS, Mr. HALEY, Mr. METCALFE, Mr. MURPHY of Illinois, Mr. DERWINSKI, Mr. FARY, Mrs. COLLINS of Illinois, Mr. MIKVA, Mr. ANNUNZIO, Mr. SHIPLEY, Mr. ROGERS, Mr. GINN, Mr. MATHIS, Mr. BRINKLEY, and Mr. LEVITAS):

H.J. Res. 1067. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. NIX, Mr. EILBERG, Mr. SCHULZE, Mr. YATRON, Mr. STEED, Mr. DUNCAN of Oregon, Mr. WEAVER, Mr. EDGAR, Mr. MCDADE, Mr. FLOOD, Mr. MURTHA, Mr. MOORHEAD of Pennsylvania, Mr. ROONEY, Mr. GAYDOS, Mr. DENT, Mr. MORGAN, Mr. VIGORITO, Mr. BEARD of Rhode Island, Mr. DAVIS, Mr. DERRICK, Mr. HOLLAND, Mr. QUILLEN, Mrs. LLOYD of Tennessee, and Mr. CHARLES WILSON of Texas):

H.J. Res. 1068. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. CLANCY, Mr. WHALEN, Mr. GUYER, Mr. LATTA, Mr. HARSHA, Mr. BROWN of Ohio, Mr. KINDNESS, Mr. ASHLEY, Mr. MILLER of Ohio, Mr. DEVINE, Mr. MOSHER, Mr. SEIBERLING, Mr. WYLIE, Mr. REGULA, Mr. ASHBROOK, Mr. HAYS of Ohio, Mr. JAMES V. STANTON, Mr. STOKES, Mr. VANIK, Mr. MOTTL, Mr. AUCOIN, and Mr. ULLMAN):

H.J. Res. 1069. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. ZEFERETTI, Mr. MURPHY of New York, Mr. KOCH, Mr. RANGEL, Mr. BADILLO, Mr. BINGHAM, Mr. OTTINGER, Mr. GILMAN, Mr. MCHUGH, Mr. STRATTON, Mr. PATTISON of New York, Mr. HANLEY, Mr. WALSH, Mr. LAFALCE, Mr. JONES of North Carolina, Mr. NEAL, Mr. PREYER, Mr. NOWAK, Mr. KEMP, Mr. LUNDINE, Mr. ROSE, Mr. HEFNER, Mr. TAYLOR of North Carolina, and Mr. GRADISON):

H.J. Res. 1070. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. THOMPSON, Mr. FORSYTHE, Mr. MAGUIRE, Mr. ROE, Mr. HELSTOSKI, Mr. RODINO, Mr. MINISH, Mr. LUJAN, Mr. PIKE, Mr. DOWNEY of New York, Mr. AMBRO, Mr. LENT, Mr. WYDLER, Mrs. MEYNER, Mr. DOMINICK V. DANIELS, Mr. PATTEN, Mr. RUNNELS, Mr. WOLFF, Mr. ADDABBO, Mr. DELANEY, Mr. BIAGGI, Mr. SCHEUER, Mr. SOLARZ, and Mr. RICHMOND):

H.J. Res. 1071. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. CONYERS, Mr. VANDER VEEN, Mr. CARR, Mr. TRAXLER, Mr. VANDER JAGT, Mr. RUPPE, Mr. O'HARA, Mr. DIGGS, Mr. NEDZI, Mr. FORD of Michigan, Mr. BRODHEAD, Mr. BLANCHARD, Mr. FRENZEL, Mr. WHITTEN, Mr. MONTGOMERY, Mr. CLAY, Mr. NOLAN, Mr. OBERSTAR, Mr. FLORIO, Mr. HOWARD, Mrs. FENWICK, Mr. MELCHER, Mr. CLEVELAND, and Mr. HUGHES):

H.J. Res. 1072. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. CARNEY (for himself, Mr. RONCALIO, Mr. MCCORMACK, Mr. HICKS, Mr. STAGGERS, Mr. KASTENMEIER, Mr. ZABLOCKI, Mr. HAMMERSCHMIDT, and Mr. MITCHELL of New York):

H.J. Res. 1073. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. HARRINGTON (for himself, Mrs. CHISHOLM, Mr. CONTE, Mr. DIGGS, Mr. FRASER, Mr. BERGLAND, Mr. COHEN, Mr. MCHUGH, and Mr. MCCLOSKEY):

H.J. Res. 1074. A resolution with respect to the promotion and use of infant formula in developing nations as it relates to basic nutrition in such nations; to the Committee on International Relations.

By Mr. ROE:

H.J. Res. 1075. A resolution designating September 19 as "National Family Day" during the celebration of our Nation's Bicentennial Year; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. CHARLES H. WILSON of California, Mr. BOB WILSON, Mr. ADAMS, Mr. BEVILL, Mr. YOUNG of Texas, Mr. WRIGHT, Mr. HELSTOSKI, Mr. RYAN, Mr. MINISH, Mr. JOHNSON of California, Mr. DU PONT, Mrs. FENWICK, Mr. BROWN of Michigan, Mr. FISH, and Mr. BOWEN):

H. Con. Res. 724. A resolution expressing the sense of Congress that the President take steps to place on the agenda of the United Nations Organization the threat to the peace created by the murder of two American Army officers by members of the North Korean Armed Forces; to the Committee on International Relations.

By Mr. HENDERSON:

H. Res. 1497. A resolution authorizing appointment of a special counsel to represent the Sergeant at Arms in the case of *Pressler v. Simon et al.;* to the Committee on House Administration.

By Mr. MURPHY of New York (for himself, Mr. CHARLES H. WILSON of California, Mr. BOB WILSON, Mr. ADAMS, Mr. BEVILL, Mr. YOUNG of Texas, Mr. WRIGHT, Mr. HELSTOSKI, Mr. RYAN, Mr. MINISH, Mr. JOHNSON of California, Mr. DU PONT, Mrs. FENWICK, Mr. BROWN of Michigan, Mr. FISH, and Mr. BOWEN):

H. Res. 1498. A resolution condemning the treacherous acts of North Korea; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. CHARLES H. WILSON of California, Mr. BOB WILSON, Mr. ADAMS, Mr. BEVILL, Mr. YOUNG of Texas, Mr. WRIGHT, Mr. HELSTOSKI, Mr. RYAN, Mr. MINISH, Mr. JOHNSON of California, Mr. DU PONT, Mrs. FENWICK, Mr. BROWN of Michigan, Mr. FISH, and Mr. BOWEN):

H. Res. 1499. A resolution instructing the Committee on the Armed Services to study and report on the murder of two American Army officers by members of the North Korean armed services; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

448. By the SPEAKER: A memorial of the Legislature of the State of Alabama, relative to allowing food stamp recipients to use part of their stamps to buy seeds and supplies to grow their own food; to the Committee on Agriculture.

449. Also, a memorial of the Legislature of the State of Alabama, relative to general revenue sharing; to the Committee on Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHN L. BURTON:

H.R. 15306. A bill for the relief of Teresa Rodriquez De La Torre; to the Committee on the Judiciary.

By Mr. CARTER:

H.R. 15307. A bill for the relief of Sgt. Leonard B. Decker; to the Committee on the Judiciary.

By Mr. TREEN:

H.R. 15308. A bill for the relief of Mr. and Mrs. Hugh Mapp; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.R. 15309. A bill for the relief of Granwel Aquino Esteban; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

568. The SPEAKER presented a petition of Leon Hess, chairman of the board, Amerada Hess Corp., New York, N.Y., relative to creating a U.S. customs oil zone within the property lines of the Hess Oil Virgin Islands Corp.'s refinery on St. Croix, which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 12112

By Mr. BLOUIN:

On page 105 (which is part of the Banking, Currency and Housing Committee Amendment), strike all on line 17 through the period at the end of line 26 on page 106.

On page 106 (which is part of the Banking, Currency and Housing Committee Amendment), after the period on line 12, insert the following:

"The Administrator may not enter into any agreement under this subsection with any person who receives any other financial assistance under this section or sections 7 and 8 of this section without specific authorization by Congress enacted after the date of enactment of this section."

On page 106 (which is part of the Banking, Currency and Housing Committee Amendment), strike all on line 13 through the period on line 17 and insert therein the following:

"(3) Subsections (c)(5), (c)(7), (d), (e), (i), (k), (m), and (p) through (z) shall apply to agreements or contracts under this subsection."

By Mr. MOFFETT:

On page 36 (which is part of the Science and Technology Committee Amendment), line 4, strike "thirty" and insert therein "twenty".

On page 35 (which is part of the Science and Technology Committee Amendment), line 6, strike all through the semi-colon on line 11 and insert the following:

"(2) the amount guaranteed with respect to any demonstration facility may not at any time exceed 75 per centum of the total cost incurred as of such time with respect to such facility (as determined by the Administrator), except if the total cost incurred with respect to a demonstration facility exceeds the project cost estimated by the Administrator at the time the loan guarantee was issued, the amount guaranteed may not exceed 75 per centum of such estimated project cost and 60 per centum of such excess. In determining the cost incurred with respect to a facility—

"(A) there shall be excluded any cost incurred for facilities and equipment used in the extraction of a mineral to be converted to synthetic fuel, unless the Administrator determines that such facilities and equipment are not capable of producing any marketable fuel other than synthetic fuel.

"(B) property or services obtained for the facility in a transaction with a person who has or will have a substantial ownership or profits interest in the facility shall be valued at the cost to the borrower or fair market value, whichever is less;".

On page 73 (which is part of the Banking, Currency and Housing Committee Amendment), line 10, strike all through the semi-colon on line 25 and insert the following:

"(2) the amount guaranteed with respect to any demonstration facility may not at any time exceed 75 per centum of the total cost incurred as of such time with respect to such facility (as determined by the Administrator), except if the total cost incurred with respect to a demonstration facility exceeds the project cost estimated by the Administrator at the time the loan guarantee was issued, the amount guaranteed may not exceed 75 per centum of such estimated project cost and 60 per centum of such excess. In determining the cost incurred with respect to a facility—

"(A) there shall be excluded any cost incurred for facilities and equipment used in the extraction of a mineral to be converted to synthetic fuel, unless the Administrator determines that such facilities and equipment are not capable of producing any marketable fuel other than synthetic fuel.

"(B) property or services obtained for the facility in a transaction with a person who has or will have a substantial ownership or profits interest in the facility shall be valued at the cost to the borrower or fair market value, whichever is less;".

By Mr. TEAGUE:

(Substitute amendment.)

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) section 7(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906) is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (5),

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(7) Federal loan guarantees and commitments thereof as provided in section 19.".

(b) The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901, et seq.) is further amended by adding at the end thereof the following new section:

"LOAN GUARANTEES FOR DEMONSTRATION FACILITIES

"SEC. 19. (a) It is the purpose of this section—

"(1) to assure adequate Federal support to foster a demonstration program to produce synthetic fuels from coal, oil shale, and other domestic resources, to employ biomass and renewable and geothermal energy sources to produce synthetic fuels and other desirable forms of energy, and to assure the availability of energy-efficient industrial equipment and facilities;

"(2) to authorize assistance, through loan guarantees under subsection (b) for construction and startup and related costs and through price guarantees under subsection (z), to demonstration facilities (A) for the conversion of domestic coal, oil shale, biomass, and other domestic resources into synthetic fuels; (B) for the demonstration of synthetic fuels and other desirable forms of energy from renewable and geothermal sources; and (C) for the demonstration of energy-efficient industrial equipment and facilities; and

"(3) to gather information about the technological, economic, environmental, and social costs, benefits, and impacts of such demonstration facilities.

"(b)(1) Except as provided in paragraph (5) of this subsection, the Administrator is authorized, in accordance with such rules and regulations as he shall prescribe after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee, in such manner and subject to such conditions (not inconsistent with the provisions of this Act) as he deems appropriate, the payment of interest on, and the principal balance of, bonds, debentures, notes, and other obligations issued by, or on behalf of, any borrower for the purpose of (A) financing the construction and startup costs of demonstration facilities for the conversion of domestic coal, oil shale, biomass, and other domestic resources into synthetic fuels, including, but not limited to, such synthetic fuels from coal as high Btu gaseous fuels compatible for mixture and transportation with natural gas by pipeline; gaseous, liquid, and solid fuels suitable for boiler use in compliance with applicable environmental requirements; liquid fuels for transportation uses; and petrochemicals: *Provided*, That no loan guarantee for a full sized oil shale facility shall be provided under this section until after successful demonstration of a modular facility producing between six and ten thousand barrels per day, taking into account such considerations as water usage, environmental effects, waste disposal, labor conditions, health and safety, and the socioeconomic impacts on local communities: *Provided further*, That no loan guarantee shall be available under this clause for the manufacture of component parts for demonstration facilities eligible for assistance under this clause; (B) financing the construction and startup costs of demonstration facilities to generate desirable forms of energy (including synthetic fuels) from direct solar, wind, ocean thermal gradient, bioconversion, or other renewable energy resources; (C) financing the purchase, construction, installation, and startup costs of energy-efficient industrial equipment and facilities for demonstration by small business concerns and others for general use; and (D) further implementing the financing of geothermal resource development under the Geothermal Energy Research, Development, and Demonstration Act of 1974 (30 U.S.C. 1101, et seq.). The amount of obligations authorized for any guarantee or commitment to guarantee under this subsection is $3,500,000,000 for the following fiscal years, 1977 and 1978: *Provided*, That the indebtedness guaranteed or committed to be guaranteed which may be outstanding at any time in any fiscal year shall not exceed the aggregate of the total amount authorized pursuant to this section for that fiscal year and all preceding fiscal years. With regard to such limitation the Administrator shall make no new commitments for loan guarantees after September 30, 1984, and shall furnish no guarantees after September 30, 1986. The authorized indebtedness to be guaranteed under clauses (A), (B), and (C) of this paragraph shall be allocated by the Administrator so that no more than 50 per centum is for high Btu coal gasification, no more than 30 per centum for other fossil based synthetic fuels, and no more than 50 per centum for renewable energy resources, including biomass, urban and other waste, direct solar, wind, ocean thermal gradient, bioconversion, and for industrial energy conservation. All guarantees or commitments to guarantee authorized by this section shall be made only for demonstration facilities constructed within the United States or in waters contiguous to its territory. None of the amounts authorized for guarantee under this section shall be committed until the studies already initiated by the Administrator concerning the synthetic fuels demonstration program authorized by this subsection are completed and a report of each such study is submitted to the Speaker of the House of Representatives and the House Committee on Science and Technology and the President of the Senate and the Senate Committee on Interior and Insular Affairs. Loan guarantees for geothermal resource development under clause (D) of this paragraph shall be carried out pursuant to the authority and provisions of the Geothermal Energy Research, Development, and Demonstration Act of 1974: *Provided*, That paragraphs (2) and (4) of this subsection, and subsections (g)(2), (h), (n), and (u) of this section, shall also apply to such guarantees: *Provided further*, That the limitations in section 201(e) of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (30 U.S.C. 1141(e)) shall not apply to such guarantees.

"(2) An applicant for any financial assistance under this section shall provide information to the Administrator in such form and with such content as the Administrator deems necessary.

"(3) Prior to issuing any guarantee under this section the Administrator shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee. The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and

substantial terms and conditions of such guarantee will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect securities activities.

"(4) The full faith and credit of the United States is pledged to the payment of all guarantees issued under this section with respect to principal and interest.

"(5)(A) The Administrator is authorized, in the case of a facility for the conversion of oil shale to synthetic fuels which is determined by the Administrator pursuant to the proviso in paragraph (1)(A) of this subsection, to be constructed at a modular size, to enter into a cooperative agreement with the applicant in accordance with section 8 of this Act and the other provisions of this Act to share the estimated total design and construction costs, plus operation and maintenance costs, of such modular facility. The Federal share shall not exceed 75 per centum of such costs. All receipts for the sale of any products produced during the operation of the facility shall be used to offset the costs incurred in the operation and maintenance of the facility. The provisions of subsections (d), (e), (k), (m), (p), (s), (t), (u), (v), (w), (x), and (y) shall apply to any such modular facility. The provisions of this section shall apply to any loan guarantee for such modular facility.

"(B) After successful demonstration of the modular facility, as determined by the Administrator, the facility is eligible for financial assistance under this section for purposes of expansion to a full sized facility and the applicant may purchase the Federal interest in the modular facility as represented by the Federal share thereof by means of (i) a cash payment to the United States, or (ii) a share of the product or sales resulting from such expanded operation, as determined by the Administrator. If expansion of such facility is determined not to be warranted by the Administrator, he may, at the option of the applicant, dispose of the modular facility to the applicant at not less than fair market value, as determined by the Administrator as of the date of the disposal, or otherwise dispose of it, in accordance with applicable provisions of law, and distribute the net proceeds thereof, after expenses of such disposal, to the applicant in proportion to the applicant's share of the costs of such facility.

"(6) To the extent possible, loan guarantees shall be issued on the basis of competitive bidding among guarantee applicants in a particular technology area.

"(c) The Administrator, with due regard for the need for competition, shall guarantee or make a commitment to guarantee any obligation under subsection (b) only if—

"(1) the Administrator is satisfied that the financial assistance applied for is necessary to encourage financial participation;

"(2) the amount guaranteed to any borrower at any time does not exceed—

"(A) an amount equal to 75 per centum of the project cost of the demonstration facility as estimated at the time the guarantee is issued, which cost shall not include amounts expended for facilities and equipment used in the extraction of a mineral other than coal or shale, and in the case of coal only to the extent that the Administrator determines that the coal is to be converted to synthetic fuel; and

"(B) an amount equal to 60 per centum of that portion of the actual total project cost of any demonstration facility which exceeds the project cost of such facility as estimated at the time the loan guarantee is issued;

"(3) the Administrator has determined that there will be a continued reasonable assurance of full repayment;

"(4) the obligation is subject to the condition that it not be subordinated to any other financing;

"(5) the Administrator has determined, taking into consideration all reasonably available forms of assistance under this section and other Federal and State statutes, that the impacts resulting from the proposed demonstration facility have been fully evaluated by the borrower, the Administrator, and the Governor of the affected State, and that effective steps have been taken or will be taken in a timely manner to finance community planning and development costs resulting from such facility under this section, under other provisions of law, or by other means;

"(6) the maximum maturity of the obligation does not exceed twenty years, or 90 per centum of the projected useful economic life of the physical assets of the demonstration facility covered by the guarantee, whichever is less, as determined by the Administrator;

"(7) the Administrator has determined that, in the case of any demonstration or modular facility planned to be located on Indian lands, the appropriate Indian tribe, with the approval of the Secretary of the Interior, has given written consent to such location;

"(8) the obligation provides for the orderly and ratable retirement of the obligation and includes sinking fund provisions, installment payment provisions or other methods of payments and reserves as may be reasonably required by the Administrator. Prior to approving any repayment schedule the Administrator may consider the date on which operating revenues are anticipated to be generated by the project. To the maximum extent possible repayment or provision therefor shall be required to be made in equal payments payable at equal intervals; and

"(9) the obligation provides that the Administrator shall, after a period of not less than ten years from issuance of the obligation, taking into consideration whether the Government's needs for information to be derived from the project have been substantially met and whether the project is capable of commercial operation, determine the feasibility and advisability of terminating the Federal participation in the project. In the event that such determination is positive, the Administrator shall notify the borrower and provide the borrower with not less than two nor more than three years in which to find alternative financing. At the expiration of the designated period of time, if the borrower has been unable to secure alternative financing, the Administrator is authorized to collect from the borrower an additional fee of 1 per centum per annum on the remaining obligation to which the Federal guarantee applies.

"(d) Prior to submitting a report to Congress pursuant to subsection (m) of this section on each guarantee and cooperative agreement, the Administrator shall request from the Attorney General and the Chairman of the Federal Trade Commission written views, comments, and recommendations concerning the impact of such guarantee or commitment or agreement on competition and concentration in the production of energy and give due consideration to views, comments, and recommendations received: *Provided*, That if either official, within sixty days after receipt of such request or at any time prior to the Administrator submitting such report to Congress, recommends against making such guarantee or commitment or agreement, the proposed guarantee or commitment or agreement shall be referred to the President, and the Administrator shall not do so unless the President determines in writing that such guarantee or commitment or agreement is in the national interest.

"(e)(1) As soon as the Administrator knows the geographic location of a proposed facility for which a guarantee or a commitment to guarantee or cooperative agreement is sought under this section, he shall inform the Governor of the State, and officials of each political subdivision and Indian tribe, as appropriate, in which the facility would be located or which would be impacted by such facility. The Administrator shall not guarantee or make a commitment to guarantee or enter into a cooperative agreement under subsection (b) of this section, if the Governor of the State in which the proposed facility would be located recommends that such action not be taken, unless the Administrator finds that there is an overriding national interest in taking such action in order to achieve the purpose of this section. If the Administrator decides to guarantee or make a commitment to guarantee or enter into a cooperative agreement despite a Governor's recommendation not to take such action, the Administrator shall communicate, in writing, to the Governor reasons for not concurring with such recommendation. The Administrator's decision, pursuant to this subsection, shall be final unless determined upon judicial review initiated by the Governor to be unlawful by the reviewing court pursuant to 5 U.S.C. 706(2) (A) through (D). Such review shall take place in the United States court of appeals for the circuit in which the State involved is located, upon application made within ninety days from the date of such decision. The Administrator shall, by regulation, establish procedures for review of, and comment on, the proposed facility by States, local political subdivisions, and Indian tribes which may be impacted by such facility, and the general public.

"(2) The Administrator shall review and approve the plans of the applicant for the construction and operation of any demonstration and related facilities constructed or to be constructed with assistance under this section. Such plans and the actual construction shall include such monitoring and other data-gathering costs associated with such facility as are required by the comprehensive plan and program under this section. The Administrator shall determine the estimated total cost of such demonstration facility, including, but not limited to, construction costs, startup costs, costs to political subdivisions and Indian tribes by such facility, and costs of any water storage facilities needed in connection with such demonstration facility, and determine who shall pay such costs. Such determination shall not be binding upon the States, political subdivisions, or Indian tribes.

"(3 There is hereby established a panel to advise the Administrator on matters relating to the program authorized by this section, including, but not limited to, the impact of the demonstration facilties on communities and States and Indian tribes, the environmental and health and safety effects of such facilities, and the means, measures, and planning for preventing or mitigating such impacts, and other matters relating to the development of synthetic fuels and other energy sources under this section. The panel shall include such Governors or their designees as shall be designated by the Chairman of the National Governors Conference, Representatives of Indian tribes, industry, environmental organizations, and the general public shall be appointed by the Administrator. The Chairman of the panel shall be selected by the Administrator. No person shall be appointed to the panel who has a financial interest in any applicant applying for assistanace under this section. Members of the panel shall serve without compensation. The provisions of section 106(e) of the Energy Reorganization Act of 1974 (42 U.S.C. 5816(e)) shall apply to the panel.

"(f) Except in accordance with reasonable terms and conditions contained in the written contract of guarantee, no guarantee issued or commitment to guarantee made under this section shall be terminated, can-

celed, or otherwise revoked. Such a guarantee or commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Subject to the conditions of the guarantee or commitment to guarantee, such a guarantee shall be incontestable in the hands of the holder of the guaranteed obligation, except as to fraud or material misrepresentation on the part of the holder.

"(g)(1) If there is a default by the borrower, as defined in regulations promulgated by the Administrator and in the guarantee contract, the holder of the obligation shall have the right to demand payment of the unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, the Administrator shall pay to the holder of the obligation the unpaid interest on, and unpaid principal of, the guaranteed obligation as to which the borrower has defaulted, unless the Administrator finds that there was no default by the borrower in the payment of interest or principal or that such default has been remedied. Nothing in this section shall be construed to preclude any forebearance by the holder of the obligation for the benefit of the borrower which may be agreed upon by the parties to the guaranteed obligation and approved by the Administrator.

"(2) If the Administrator makes a payment under paragraph (1) of this subsection or section 202(b) of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (30 U.S.C. 1142(b)), the Administrator shall be subrogated to the rights of the recipient of such payment (and such subrogation shall be expressly set forth in the guarantee or related agreements), including the authority to complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements, or any other property of the borrower (of a value equal to the amount of such payment) to the extent that the guarantee applies to amounts in excess of the estimated project cost under subsection (c)(2)(B), without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended, except section 207 of that Act (40 U.S.C. 488), or any other law, or to permit the borrower, pursuant to an agreement with the Administrator, to continue to pursue the purposes of the demonstration facility if the Administrator determines that this is in the public interest. The rights of the Administrator with respect to any property acquired pursuant to such guarantee or related agreements, shall be superior to the rights of any other person with respect to such property.

"(3) In the event of a default on any guarantee under this section, the Administrator shall notify the Attorney General, who shall take such action as may be appropriate to recover the amounts of any payments made under paragraph (1) including any payment of principal and interest under subsection (h) from such assets of the defaulting borrower as are associated with the demonstration facility, or from any other security included in the terms of the guarantee.

"(4) For purposes of this section, patents, including any inventions for which a waiver was made by the Administrator under section 9 of this Act, and technology resulting from the demonstration facility, shall be treated as project assets of such facility. The guarantee agreement shall include such detailed terms and conditions as the Administrator deems appropriate to protect the interests of the United States in the case of default and to have available all the patents and technology necessary for any person selected, including, but not limited to the Administrator, to complete and operate the defaulting project. Furthermore, the gurantee agreement shall contain a provision specifying that patents, technology, and other proprietary rights which are necessary for the completion or operation of the demonstration facility shall be available to the United States and its designees on equitable terms, including due consideration to the amount of the United States default payments. Inventions made or conceived in the course of or under such guarantee, title to which is vested in the United States under this Act, shall not be treated as project assets of such facility for disposal purposes under this subsection, unless the Administrator determines in writing that it is in the best interests of the United States to do so.

"(h) With respect to any obligation guaranteed under this section, the Administrator is authorized to enter into a contract to pay, and to pay, holders of the obligations, for and on behalf of the borrowers, from the fund established by this section or from the Geothermal Resources Development Fund, as applicable, the principal and interest payments which become due and payable on the unpaid balance of such obligation if the Administrator finds that—

"(1) the borrower is unable to meet such payments and is not in default; it is in the public interest to permit the borrower to continue to pursue the purposes of such demonstration facility; and the probable net benefit to the Federal Government in paying such principal and interest will be greater than that which would result in the event of a default;

"(2) the amount of such payment which the Administrator is authorized to pay shall be no greater than the amount of principal and interest which the borrower is obligated to pay under the loan agreement; and

"(3) the borrower agrees to reimburse the Administrator for such payment on terms and conditions, including interest, which are satisfactory to the Administrator.

"(i) Regulations required by this section shall be issued within one hundred and eighty days after enactment of this section, except as provided in subsection (t) of this section. All regulations under this section and any amendments thereto shall be issued in accordance with section 553 of title 5, of the United States Code.

"(j) The Administrator shall charge and collect fees for guarantees of obligations authorized by clauses (A), (B), (C), and (D) of subsection (b)(1), in amounts which (1) are sufficient in the judgment of the Administrator to cover the applicable administrative costs, and (2) reflect the percentage of projects costs guaranteed. In no event shall the fee be less than 1 per centum per annum of the outstanding indebtedness covered by the guarantee. Nothing in this subsection shall be construed to apply to community planning and development assistance pursuant to subsection (k) of this section.

"(k)(1) In accordance with such rules and regulations as the Administrator in consultation with the Secretary of the Treasury shall prescribe, and subject to such terms and conditions as he deems appropriate, the Administrator is authorized, for the purpose of financing essential community development and planning which directly result from, or are necessitated by, one or more demonstration facilities assisted under this section to—

"(A) guarantee and make commitments to guarantee the payment of interest on, and the principal balance of, obligations for such financing issued by eligible States, political subdivisions, or Indian tribes,

"(B) guarantee and make commitments to guarantee the payment of taxes imposed on such demonstration facilities by eligible non-Federal taxing authorities which taxes are earmarked by such authorities to support the payment of interest and principal on obligations for such financing, and

"(C) require that the applicant for assistance for a demonstration facility under this section advance sums to eligible States, political subdivisions, and Indian tribes to pay for the financing of such development and planning: *Provided*, That the State, political subdivision, or Indian tribe agrees to provide tax abatement credits over the life of the facilities for such payments by such applicant.

"(2) Prior to issuing any guarantee under this subsection, the Administrator shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee. The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and substantial terms and conditions of such guarantee will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect securities activities.

"(3) The amount of obligations authorized for any guarantee and commitment to guarantee under paragraph (1) of this subsection is $150,000,000 for each of the following fiscal years 1977 and 1978: *Provided*, That such obligations guaranteed or committed to be guaranteed which may be outstanding at any fiscal year shall not exceed the aggregate of the total amount authorized pursuant to this subsection for that fiscal year and all preceding fiscal years, and shall be included in the limitation on outstanding indebtedness set forth in subsection (b)(1) of this section.

"(4) In the event of any default by the borrower in the payment of taxes guaranteed by the Administrator under this subsection, the Administrator shall pay out of the fund established by this section such taxes at the time or times they may fall due, and shall have by reason of such payment a claim against the borrower for all sums paid plus interest.

"(5) If after consultation with the State, political subdivision, or Indian tribe, the Administrator finds that the financial assistance programs of paragraph (1) of this subsection will not result in sufficient funds to carry out the purposes of this subsection, then the Administrator may—

"(A) make direct loans to the eligible States, political subdivisions, or Indian tribes for such purposes: *Provided*, That such loans shall be made on such reasonable terms and conditions as the Administrator shall prescribe: *Provided further*, That the Administrator may waive repayment of all or part of a loan made under this paragraph, including interest, if the State or political subdivision or Indian tribe involved demonstrates to the satisfaction of the Administrator that due to a change in circumstances there will be net adverse impacts resulting from such demonstration facility that would probably cause such State, subdivision, or tribe to default on the loan; or

"(B) require that any community development and planning costs which are associated with, or result from, such demonstration facility and which are determined by the Administrator to be appropriate for such inclusion shall be included in the total costs of the demonstration facility.

"(6) The Administrator is further authorized to make grants to States, political subdivisions, or Indian tribes for studying and planning for the potential economic, environmental, and social consequences of demonstration facilities, and for establishing related management expertise.

"(7) At any time the Administrator may, with the concurrence of the Secretary of the Treasury, redeem, in whole or in part, out of the fund established by this section, the debt obligations guaranteed or the debt obli-

gations for which tax payments are guaranteed under this subsection.

"(8) When one or more States, political subdivisions, or Indian tribes would be eligible for assistance under this subsection, but for the fact that construction and operation of the demonstration facilities occurs outside its jurisdiction, the Administrator is authorized to provide, to the greatest extent possible, arrangements for equitable sharing of such assistance.

"(9)(A) Such amounts as may be necessary for direct loans and grants pursuant to this subsection shall be available as provided in annual authorization Acts and shall be requested in fiscal year 1977, and in subsequent fiscal years.

"(B) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1976, and the transition period $2,000,000 for grants to be used to carry out the purposes of this subsection.

"(10) The Administrator, if appropriate, shall provide assistance in the financing of up to 100 per centum of the costs of the required community development and planning pursuant to this subsection.

"(11) In carrying out the provisions of this subsection, the Administrator shall provide that title to any facility receiving financial assistance under this subsection shall vest in the applicable State, political subdivision, or Indian tribe, as appropriate, and in the case of default by the borrower on a loan guarantee made or committed under subsection (b) of this section, such facility shall not be considered a project asset for the purposes of subsection (g) of this section.

"(l)(1) The Administrator is directed to submit a report to the Congress within one hundred and eighty days after the enactment of this section setting forth his recommendations on the best opportunities to implement a program of Federal financial assistance with the objective of demonstrating production and conservation of energy. Such report shall be updated and submitted to Congress at least annually for the duration of the program authorized by this section and shall include specific comments and recommendations by the Secretary of the Treasury on the methods and procedures set forth in subparagraph (B)(viii) of this subsection, including their adequacy, and changes necessary to satisfy the objectives stated in this subsection. This report shall include—

"(A) a study of the purchase or commitment to purchase by the Federal Government, for use by the United States, of all or a portion of the products of any synthetic fuel facilities constructed pursuant to this program as a direct or an alternate form of Federal assistance, which assistance, if recommended, shall be carried out pursuant to section 7(a)(4) of this Act; and

"(B) a comprehensive plan and program to acquire information and evaluate the environmental, economic, social, and technological impacts of the demonstration program under this section. In preparing such a comprehensive plan and program, the Administrator shall consult with the Environmental Protection Agency, the Federal Energy Administration, the Department of Housing and Urban Development, the Department of the Interior, the Department of Agriculture, and the Department of the Treasury, and shall include therein, but not be limited to, the following:

"(i) information about potential demonstration facilities proposed in the program under this section;

"(ii) any significant adverse impacts which may result from any activity included in the program;

"(iii) the extent to which it is feasible to commercialize the technologies as they affect different regions of the Nation;

"(iv) proposed regulations required to carry out the purposes of this section;

"(v) a list of Federal agencies, governmental entities, and other persons that will be consulted or utilized to implement the program;

"(vi) the methods and procedures by which the information gathered under the program will be analyzed and disseminated;

"(vii) a plan for the study and monitoring of the health effects of such facilities on workers and other persons, including, but not limited to, any carcinogenic effect of synthetic fuels; and

"(viii) the methods and procedures to insure that (1) the use of the Federal assistance for demonstration facilities is kept to the minimum level necessary for the information objectives of this section, (2) the impact of loan guarantees on the capital markets of the United States is minimized, taking into account other Federal direct and indirect securities activities, and any economic sectors which may be negatively impacted as a result of the reduction of capital by the placement of guaranteed loans, and (3) the granting of Federal loan guarantees under this Act does not impede movement toward improvement in the climate for attracting private capital to develop synthetic fuels without continued direct Federal incentives.

"(2) The Administrator shall annually submit a detailed report to the Congress concerning—

"(A) the actions taken or not taken by the Administrator under this section during the preceding fiscal year, and including, but not be limited to (i) a discussion of the status of each demonstration facility and related facilities financed under this section, including progress made in the development of such facilities, and the expected or actual production from each such facility, including byproduct production therefrom, and the distribution of such products and byproducts, (ii) a detailed statement of the financial conditions of each such demonstration facility, (iii) data concerning the environmental, community, and health and safety impacts of each such facility and the actions taken or planned to prevent or mitigate such impacts, (iv) the administrative and other costs incurred by the Administrator and other Federal agencies in carrying out this program, and (v) such other data as may be helpful in keeping Congress and the public fully and currently informed about the program authorized by this section; and

"(B) The activities of the funds referred to in subsection (n) of this section during the preceding fiscal year, including a statement of the amount and source of fees or other moneys, property, or assets deposited into the funds, all payments made, the notes or other obligations issued by the Administrator, and such other data as may be appropriate.

"(3) The annual reports required by this subsection shall be a part of the annual report required by section 15 of this Act, except that the matters required to be reported by this subsection shall be clearly set out and identified in such annual reports. Such reports and the one-hundred-and-eighty-day report required in paragraph (1) of this subsection shall be transmitted to the Speaker of the House of Representatives and the House Committee on Science and Technology and to the President of the Senate and the Committee on Interior and Insular Affairs of the Senate.

"(m) Prior to issuing any guarantee or commitment to guarantee or cooperative agreement pursuant to subsection (b) of this section or entering into any price guarantee contract pursuant to subsection (aa) of this section, the Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Interior and Insular Affairs of the Senate a full and complete report on the proposed demonstration facility and such guarantee, agreement, or contract. Such guarantee, commitment to guarantee, cooperative agreement, or contract shall not be finalized under the authority granted by this section prior to the expiration of ninety calendar days (not including any day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which such report is received by such committees: *Provided*, That, where the cost of a demonstration facility to be assisted with a guarantee or cooperative agreement pursuant to subsection (b) of this section exceeds $200,000,000 such guarantee or commitment to guarantee or cooperative agreement shall not be finalized if prior to the close of such ninety-day period both Houses pass a resolution stating in substance that the Congress does not favor the making of such guarantee or commitment or agreement.

"(n)(1) There is hereby created within the Treasury a separate fund (hereafter in this section called the 'fund') which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purpose of carrying out the program authorized by clauses (A), (B), and (C), of subsection (b)(1) and subsections (g), (h), and (k) of this section. The Geothermal Resources Development Fund established by the Geothermal Energy Research, Development, and Demonstration Act of 1974 shall be available for the purpose of carrying out the geothermal loan guarantee program as established by that Act and as further implemented by this section.

"(2) There are hereby authorized to be appropriated to the fund for administrative expenses for the fiscal year ending June 30, 1976, $1,000,000, and for the period beginning July 1, 1976 and ending September 30, 1976, $1,000,000, and from time to time such other amounts as may be necessary to carry out the purposes of the applicable provisions of this section, including, but not limited to, the payments of interest and principal and the payment of interest differentials and redemption of debt. All amounts received by the Administrator as interest payments or repayments of principal on loans which are guaranteed under this section, fees, and any other moneys, property, or assets derived by him from operations under this section shall be deposited in the fund or in the Geothermal Resources Development Fund, as applicable.

"(3) All payments on obligations, appropriate expenses (including reimbursements to other government accounts), and repayments pursuant to operations of the Administrator under this section shall be paid from the funds subject to appropriations or from the Geothermal Resources Development fund, as applicable. If at any time the Administrator determines that moneys in the fund exceed the present and reasonably foreseeable future requirements of the fund, such excess shall be transferred to the general fund of the Treasury.

"(4) If at any time the moneys available in the fund or in the Geothermal Resources Development Fund are insufficient to enable the Administrator to discharge his responsibilities as authorized by subsections (b)(1), (g), and (h) of this section, or the Geothermal Energy Research, Development, and Demonstration Act of 1974 (30 U.S.C. 1101), as the case may be, the Administrator shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Administrator from appropriations or other moneys available under paragraph (2) of this subsection for loan guarantees authorized by clauses (A), (B), and (C) of subsection (b)(1) and subsections (g), (h), and (k) of this section, and from

appropriations or other moneys available under section 204 of the Geothermal Energy Research, Development, and Demonstration Act of 1974 for loan guarantees described in clause (D) of subsection (b)(1) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection.

"(5) The provisions of this subsection do not apply to direct loans or planning grants made under subsection (k) of this section.

"(o) For the purposes of this section, the term—

"(1) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, or any territory or possession of the United States,

"(2) 'United States' means the several States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and

"(3) 'borrower' or 'applicant' shall include any individual, firm, corporation, company, partnership, association, society, trust, joint venture, joint stock company, or other non-Federal entity.

"(p)(1) An applicant seeking a guarantee or cooperative agreement under subsection (b) of this section must be a citizen or national of the United States. A corporation, partnership, firm, or association shall not be deemed to be a citizen or national of the United States unless the Administrator determines that it satisfactorily meets all the requirements of section 802 of title 46, United States Code, for determining such citizenship, except that the provisions in subsection (a) of such section 802 concerning (1) the citizenship of officers or directors of a corporation, and (2) the interest required to be owned in the case of a corporation, association, or partnership operating a vessel in the coastwise trade, shall not be applicable.

"(2) The Administrator, in consultation with the Secretary of State, may waive such requirements in the case of a corporation, partnership, firm, or association, controlling interest in which is owned by citizens of countries which are participants in the International Energy Agreement.

"(q) No part of the program authorized by this section shall be transferred to any other agency or authority, except pursuant to Act of Congress enacted after the date of enactment of this section.

"(r) Inventions made or conceived in the course of or under a guarantee authorized by this section shall be subject to the title and waiver requirement and conditions of section 9 of this Act.

"(s)(1) Each officer or employee of the Energy Research and Development Administration who—

"(A) performs any function or duty under this section; and

"(B)(i) has any known financial interest in any person who is applying for or receiving financial assistance for a demonstration facility under this section; or

"(ii) has any known financial interest in property from which coal, natural gas, oil shale, crude oil, or other energy resources is produced in connection with any demonstration facility receiving financial assistance under this section,

shall, beginning on February 1, 1977, annually file with the Administrator a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

"(2) The Administrator shall—

"(A) act within ninety days after the date of enactment of this Act—

"(i) to define the term 'known financial interest' for purposes of paragraph (1) of this subsection; and

"(ii) to establish the methods by which the requirement to file written statements specified in paragraph (1) will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Administrator of such statements; and

"(B) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

"(3) In the rules prescribed in paragraph (2) of this subsection, the Administrator may identify specific positions within the Administration which are of a nonpolicy-making nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this subsection.

"(4) Any officer or employee who is subject to, and knowingly violates, this subsection shall be fined not more than $2,500 or imprisoned not more than one year, or both.

"(t) Nothing in this section shall be construed as affecting the obligations of any person receiving financial assistance pursuant to this section to comply with Federal and State environmental, land use, water, and health and safety laws and regulations or to obtain applicable Federal and State permits, licenses, and certificates.

"(u) The information maintained by the Administrator under this section shall be made available to the public subject to the provision of section 552 of title 5, United States Code, and section 1905 of title 18, United States Code, and to other Government agencies in a manner that will facilitate its dissemination: *Provided,* That upon a showing satisfactory to the Administrator by any person that any information, or portion thereof obtained under this section by the Administrator directly or indirectly from such person would, if made public, divulge (1) trade secrets or (2) other proprietary information of such person, the Administrator shall not disclose such information and disclosure thereof shall be punishable under section 1905 of title 18, United States Code: *Provided further,* That the Administrator shall, upon request, provide such information to (A) any delegate of the Administrator for the purpose of carrying out this Act, and (B) the Attorney General, the Secretary of Agriculture, the Secretary of the Interior, the Federal Trade Commission, the Federal Energy Administration, the Environmental Protection Agency, the Federal Power Commission, the General Accounting Office, other Federal agencies, or heads of other Federal agencies, when necessary to carry out their duties and responsibilities under this and other statutes, but such agencies and agency heads shall not release such information to the public. This section is not authority to withhold information from Congress, or from any committee of Congress upon request of the Chairman. For the purposes of this subsection, the term person' shall include the borrower.

"(v) Notwithstanding any other provision of this section, the authority provided in this section to make guarantees or commitments to guarantee or enter into cooperative agreements under subsection (b)(1), to make guarantees or commitments to guarantee, or to make loans or grants, under subsection (k), to make contracts under subsection (h) or (z), and to use fees and receipts collected under subsections (b) and (j) of this section, and the authorities provided under subsection (n) of this section, shall be effective only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of enactment of this section.

"(w) No person in the United States shall on the grounds of race, color, religion, national origin, or sex, be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with assistance made available under this section: *Provided,* That Indian tribes are exempt from the operation of this subsection: *Provided further,* That such exemption shall be limited to the planning and provision of public facilities which are located on reservations and which are provided for members of the affected Indian tribes as the primary beneficiaries.

"(x) In carrying out his functions under this section, the Administrator shall provide a realistic and adequate opportunity for small business concerns to participate in the program to the optimum extent feasible consistent with the size and nature of each project.

"(y)(1)(A) Recipients of financial assistance under this section shall keep such records and other pertinent documents, as the Administrator shall prescribe by regulation, including, but not limited to, records which fully disclose the disposition of the proceeds of such assistance, the cost of any facility, the total cost of the provision of public facilities for which assistance was used, and such other records as the Administrator may require to facilitate an effective audit. The Administrator and the Comptroller General of the United States or their duly authorized representatives shall have access, for the purpose of audit, to such records and other pertinent documents.

"(B) Within 6 months after the date of enactment of this section and at 6-month intervals thereafter, the Comptroller General of the United States shall make an audit of recipients of financial assistance under this section. The Comptroller General may prescribe such regulations as he deems necessary to carry out this subparagraph.

"(2) All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276(c)).

"(z)(1) In addition to providing assistance through loan guarantees under the preceding provisions of this secion, the Administrator is authorized to provide assistance in the form of payments made in support of synthetic fuel prices after September 1977 under price guarantee contracts entered into with persons proposing to construct facilities for the manufacture of synthetic fuels, with the objective of encouraging the construction and operation of such facilities by guaranteeing that the price received for such fuels will remain at levels which make such construction and operation economically feasible whenever the market price of competing fuels falls below such levels.

"(2) Any price guarantee contract entered into under paragraph (1) shall be for a term not exceeding the projected useful life of the facility involved; and the level (of the

market price of competing fuels) at which price support payments become payable thereunder, which shall be specified in the contract, shall be determined in accordance with regulations prescribed by the Administrator in such manner as will realistically reflect the actual costs of manufacture in the facility involved as well as both the current and projected prices of competing fuels.

"(3) To the extent provided in the regulations prescribed by the Administrator under subsection (i), the provisions of this section relating to loan guarantees shall apply also with respect to assistance in the form of price guarantee contracts under this subsection.

"(4) The total amount of the Federal obligation to make price support payments under contracts entered into under this subsection shall not at any time exceed $500,000,000; except that (notwithstanding any other provision of this section) the Administrator may utilize any portion of the amount which is authorized for loan guarantees under subsection (b)(1), but which is not needed for such guarantees, for the purpose of entering into additional price guarantee contracts under this subsection.".

SEC. 2. AMENDMENT TO INTERNAL REVENUE CODE OF 1954.

(a) TAXABILITY OF INTEREST ON CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 85. CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.

"(a) IN GENERAL.—Gross income includes interest on any obligation of any State or local government—

"(1) the interest or principal (or both) of which is guaranteed in whole or in part under section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974, or

"(2) the payment of the interest or principal (or both) of which is to be supported by tax payments to such government which are guaranteed in whole or in part under section 19 of such Act.

"(b) STATE OR LOCAL GOVERNMENT DEFINED.—For purposes of this section, the term 'State or local government' means a State, a possession of the United States, any political subdivision of any of the foregoing, and the District of Columbia."

(b) TECHNICAL AND CLERICAL AMENDMENTS.—

(1) Section 103(f) of such Code is amended by striking out the period at the end of paragraph (23) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

"(24) Certain federally guaranteed obligations, see section 85."

(2) The table of sections for part II of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following:

"Sec. 85. Certain federally guaranteed obligations."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

H.R. 13636

By Mr. BUTLER:

On page 23 beginning with line 17, strike out all down through line 3 on page 29, and insert in lieu thereof the following:

(c)(1) No person in any State shall on the ground of race, color, religion, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or denied employment in connection with any program or activity funded in whole or in part with funds made available under this title.

(2)(A) Whenever there has been—

(i) receipt of notice of a finding, after notice and opportunity for a hearing and appeal, by a Federal court (other than in an action brought by the Attorney General) or State court, or by a Federal or State administrative agency (other than the Administrator under subparagraph (ii)), to the effect that there has been a pattern or practice of discrimination in violation of subsection (c)(1); or

(ii) a determination after an investigation by the Administrator (prior to a hearing under subparagraph (E) but including an opportunity for the State government or unit of local government to make a documentary submission regarding the allegation of discrimination with respect to the funding of such program or activity, with funds made available under this title) that a State government or unit of general local government is not in compliance with subsection (c)(1);

the Administrator shall, within 10 days after such occurrence, notify the chief executive of the affected State, or the State in which the affected unit of general local government is located, and the chief executive of such unit of general local government, that such program or activity has been so found or determined not to be in compliance with subsection (c)(1), and shall request each chief executive, notified under this subparagraph with respect to such violation, to secure compliance. For purposes of subparagraph (i) a finding by a Federal or State administrative agency shall be deemed rendered after notice and opportunity for a hearing if it is rendered pursuant to procedures consistent with the provisions of subchapter II of chapter 5, title 5, United States Code.

(B) In the event the chief executive secures compliance after notice pursuant to subparagraph (A), the terms and conditions with which the affected State government or unit of general local government agrees to comply shall be set forth in writing and signed by the chief executive of the State, by the chief executive of such unit (in the event of a violation by a unit of general local government), and by the Administrator and the Attorney General. On or prior to the effective date of the agreement, the Administrator shall send a copy of the agreement to each complainant, if any, with respect to such violation. The chief executive of the State, or the chief executive of the unit (in the event of a violation by a unit of general local government) shall file semiannual reports with the Administrator detailing the steps taken to comply with the agreement. Within 15 days of receipt of such reports, the Administrator shall send a copy thereof to each such complainant.

(C) If, at the conclusion of 90 days after notification under subparagraph (A)—

(i) compliance has not been secured by the chief executive of that State or the chief executive of that unit of general local government; and

(ii) an administrative law judge has not made a determination under subparagraph (E) that it is likely the State government or unit of local government will prevail on the merits;

the Administrator shall notify the Attorney General that compliance has not been secured and suspend further payment of any funds under this title to that program or activity. Such suspension shall be limited to the specific program or activity cited by the Administration in the notice under subparagraph (A). Such suspension shall be effective for a period of not more than 120 days, or, if there is a hearing under subparagraph (F), not more than 30 days after the conclusion of such hearing, unless there has been an express finding by the Administrator after notice and opportunity for such a hearing, that the recipient is not in compliance with subsection (c)(1).

(D) Payment of the suspended funds shall resume only if—

(i) such State government or unit of general local government enters into a compliance agreement approved by the Administrator and the Attorney General in accordance with subparagraph (B);

(ii) such State government or unit of general local government complies fully with the final order or judgment of a Federal or State court, or by a Federal or State administrative agency, if that order or judgment covers all the matters raised by the Administrator in the notice pursuant to subparagraph (A), or is found to be in compliance with subsection (c)(1) by such court; or

(iii) after a hearing the Administrator pursuant to subparagraph (F) finds that noncompliance has not been demonstrated.

(E) Prior to the suspension of funds under subparagraph (C), but within the 90-day period after notification under subparagraph (C), the State government or unit of local government may request an expedited preliminary hearing by an administrative law judge in order to determine whether it is likely that the State government or unit of local government would, at a full hearing under subparagraph (F), prevail on the merits on the issue of the alleged noncompliance. A finding under this subparagraph by the administrative law judge in favor of the State government or unit of local government shall defer the suspension of funds under subparagraph (C) pending a finding of noncompliance at the conclusion of the hearing on the merits under subparagraph (F).

(F)(i) At any time after notification under subparagraph (A), but before the conclusion of the 120-day period referred to in subparagraph (C), a State government or unit of general local government may request a hearing, which the Administration shall initiate within 30 days of such request.

(ii) Within 30 days after the conclusion of the hearing, or, in the absence of a hearing, at the conclusion of the 120-day period referred to in subparagraph (C), the Administrator shall make a finding of noncompliance, the Administrator shall notify the Attorney General in order that the Attorney General may institute a civil action under subsection (c)(3), terminate the payment of funds under this title, and, if appropriate, seek repayment of such funds.

(iii) If the Administrator makes a finding of compliance, payment of the suspended funds shall resume as provided in subparagraph (D).

(G) Any State government or unit of general local government aggrieved by a final determination of the Administrator under subparagraph (F) may appeal such determination as provided in section 511 of this title.

(3) Whenever the Attorney General has reason to believe that a State government or unit of general local government has engaged or is engaging in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in an appropriate United States district court. Such court may grant as relief any temporary restraining order, preliminary or permanent injunction, or other order, as necessary or appropriate to insure the full enjoyment of the rights described in this section. The bringing of a civil action by the Attorney General shall suspend further administrative proceedings under this title and under any other applicable provision of law.

(4)(A) Whenever a State government or

unit of local government, or any officer or employee thereof acting in an official capacity, has engaged or is engaging in any act or practice prohibited by this Act, a civil action may be instituted after exhaustion of administrative remedies by the person aggrieved in an appropriate United States district court or in a State court of general jurisdiction.

(B) In any action instituted under this section to enforce compliance with section 518(c)(1), the Attorney General, or a specially designated assistant for or in the name of the United States, may intervene upon timely application if he certifies that the action is of general public importance. In such action the United States shall be entitled to the same relief as if it had instituted the action.

H.R. 14238

By Mr. PRESSLER:

Page 2, line 15, strike the period and insert a colon and the following language: *"Provided*, That none of the funds in this Act shall be used to pay any Member of the House of Representatives, Delegate to the House of Representatives, or the Resident Commissioner from Puerto Rico, at an annual rate of pay which is in excess of the annual rate of pay in effect with respect to such individual on September 30, 1976."

Page 3, line 4, strike the period and insert a colon and the following language: *"Provided*, That none of the funds in this Act shall be used to pay the majority leader or minority leader of the House of Representatives, or the Speaker of the House of Representatives, at an annual rate of pay which is in excess of the annual rate of pay in effect with respect to such individual on September 30, 1976."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of August 25, 1976, page 27777.

HOUSE BILLS

H.R. 14916. July 28, 1976. Education and Labor. Amends the National Labor Relations Act to provide that an employee shall not be required to join or support a labor organization as a condition of employment if it is contrary to his religion.

H.R. 14917. July 28, 1976. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to authorize the Commissioner of Education to make grants to, and enter into contracts with, schools of medicine, dentistry, and osteopathy for the purpose of offering regional three-year demonstration programs introducing secondary students from disadvantaged backgrounds to the health professions.

H.R. 14918. July 28, 1976. Education and Labor. Amends the Higher Education Act of 1965 to direct the Commissioner of Education to make annual grants to schools of medicine, dentistry, and osteopathy for the purpose of offering regional medical academic summer enrichment programs for undergraduate students from deprived educational or economic backgrounds.

H.R. 14919. July 28, 1976. Education and Labor. Directs the Secretary of Health, Education, and Welfare to make annual grants to schools of medicine, osteopathy, and dentistry for the support of education programs of such schools relating to the special needs of students from disadvantaged backgrounds enrolled in such schools.

H.R. 14920. July 28, 1976. Education and Labor. Amends the National Labor Relations Act to provide that an employee shall not be required to join or support a labor organization as a condition of employment if it is contrary to his religion.

H.R. 14921. July 28, 1976. Agriculture. Prohibits the importation of palm oil and palm oil products unless the Secretary of Agriculture certifies that such products are pure and wholesome and meet sanitation standards. Authorizes the Secretary to establish such standards, and to inspect such imports. Requires that such imports meet the packaging and labeling requirements in effect in the United States and specify the country of origin. Makes all palm oil in the United States subject to the Federal Food, Drug, and Cosmetic Act. Sets forth labeling requirements for palm oil in the United States. Prescibes penalties for violation of this Act.

H.R. 14922. July 28, 1976. Education and Labor. Makes Federal financial assistance available, under the Emergency School Aid Act, for programs and projects for: (1) the construction of "magnet" and "neutral site" schools, and education parks; (2) the pairing of schools and programs with colleges and universities and with leading businesses; and (3) education programs to improve the quality of education in inner city schools and the general use of "education magnetism."

H.R. 14923. July 28, 1976. Rules. Requires review of Federal programs to determine if they warrant continuation. Directs the President to conduct such review of the programs covered by the annual budget. Requires Congress to make such review every four years.

H.R. 14924. July 28, 1976. Banking, Currency and Housing; Government Operations. Establishes the Minority Business Development and Assistance Administration in the Department of Commerce. Creates the position of the Assistant Secretary of Commerce for Minority Business Development and Assistance to direct such administration. Enumerates the powers of the Administration. Provides for the transfer (from existing agencies) of functions pertaining to minority business enterprises.

H.R. 14925. July 28, 1976. Ways and Means. Amends the Internal Revenue Code to establish graduated corporate income tax rates. Increases the estate tax exemption and establishes a new rate schedule for the estate tax. Increases the gift tax exclusion and exemption and establishes a new gift tax rate. Provides special treatment for the sale of stock in a closely held corporation when sold to pay estate taxes. Redefines a subchapter S corporation. Allows tax credits for the hiring of new employees. Redefines section 1244 stock (small business stock, losses on which are treated as ordinary losses).

H.R. 14926. July 28, 1976. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty under such Act shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

H.R. 14927. July 28, 1976. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty under such Act shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

H.R. 14928. July 28, 1976. Agriculture. Amends the Agricultural Act of 1949 to provide increased disaster relief benefits to farmers who plant wheat, feed grans, cotton or rice in excess of their allotments with respect to the 1976 and 1977 crops of such commodities.

H.R. 14929. July 28, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authoristy of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14930. July 28, 1976. Ways and Means. Amends the Internal Revenue Code to extend for two years that provision allowing depreciation of expenses relating to rehabilitation of low income rental housing over a 60 month period (rather than the useful life of the property).

H.R. 14931. July 28, 1976. Interior and Insular Affairs. Conveys specified Federal-owned land known as the Yardeka School land to the Creek Nation of Oklahoma.

H.R. 14932. July 28, 1976. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973, the Railroad Revitalization and Regulatory Reform Act of 1976, the Rail Passenger Service Act, and the Interstate Commerce Act with respect to railroad financing, employees claims, rail property purchase options ,and acquisitions and rail abandonment procedures.

H.R. 14933. July 28, 1976. Ways and Means. Amends the Medicare and Medicaid programs of the Social Security Act to include rural health facilities of 100 beds or less within the definition of the term "hospital."

H.R. 14934. July 28, 1976. Interior and Insular Affairs. Revises the boundaries of (1) Manassas National Battlefield Park, Virginia; (2) George Washington Birthplace National Monument, Virginia; and (3) Olympic National Park, Washington.

Renames Monocacy National Military Park, Maryland, as Monocacy National Battlefield. Revises the boundaries of such park. Amends specified provisions relating to park administration.

Authorizes the Secretary of the Interior to (1) accept the donation of lands for addition to Pecos National Monument, New Mexico, and (2) acquire specified lands for addition to Bandelier National Monument, New Mexico.

H.R. 14935. July 28, 1976. Interior and Insular Affairs. Revises the boundaries of (1) Manassas National Battlefield Park, Virginia; (2) George Washington Birthplace National Monument, Virginia; and (3) Olympic National Park, Washington.

Renames Monocacy National Military Park, Maryland, as Monocacy National Battlefield. Revises the boundaries of such park. Amends specified provisions relating to park administration.

Authorizes the Secretary of the Interior to (1) accept the donation of lands for addition to Pecos National Monument, New Mexico, and (2) acquire specified lands for addition to Bandelier National Monument, New Mexico.

H.R. 14936. July 28, 1976. Ways and Means. Authorizes and directs the Secretary of Labor, through the Bureau of Labor Statistics, to prepare, as part of the Consumer Price Index, the Consumer Price Index for the Aged and Other Social Security Beneficiaries designed to reflect the relevant price information for individuals, as a group, who are 65 years of age or older or are otherwise entitled to monthly benefits under the program of Old-Age, Survivors, and Disability Insurance of the Social Security Act.

H.R. 14937. July 28, 1976. Ways and Means. Authorizes semiannual computation of cost-of-living increases in Old Age, Survivors and Disability Insurance benefits under the Social Security Act.

H.R. 14938. July 28, 1976. Armed Services. Specifies the rental charge for quarters occupied by a certain employer of an executive agency stationed in the United States until the expiration of his current employment contract.